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ABSTRACT

This document presents testimony and statements from one of a series of Congressional field hearings intended to critically review all the programs associated with the Higher Education Act of 1965. Issues addressed in the testimony and prepared statements include: how the United States can maximize the number of students, including non-traditional students and first generation students, in postsecondary education; how the United States can encourage more students to pursue graduate studies, including women and minorities in under-represented fields; means of improving the financial aid system in order to reach the entire spectrum of middle America; means of improving educational quality; and ways of allowing students to choose among the entire spectrum of postsecondary opportunities while minimizing loan defaults. The testimony and statements also include numerous observations concerning the status of higher education in the State of Michigan. Testimony delivered by several presidents, deans, and directors of financial aid from various Michigan universities and colleges is presented. Thirteen prepared statements, letters, and supplemental materials are included. (GLR)

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965: ANN ARBOR, MICHIGAN

HEARING

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

HEARING HELD IN ANN ARBOR, MI, JUNE 17, 1991

Serial No. 102-65

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OVERSIGHT HEARING ON THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965

MONDAY, JUNE 17, 1991

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Ann Arbor, MI.

The subcommittee met, pursuant to notice, at 9:41 a.m., in the Hussey Room, Michigan League, 911 North University Drive, Ann Arbor, Michigan, Hon. William D. Ford [Chairman] presiding.

Members present. Representatives Ford, Coleman, Kildee, Goodling, and Gunderson.

Staff present: Tom Wolanin, staff director; Maureen Long, legislative associate; and Diane Stark, legislative associate.

Chairman FORD. Could I have your attention, please? It is a pleasure to convene the Subcommittee on Postsecondary Education for the 23rd of 46 hearings on the reauthorization of the Higher Education Act.

I would like to observe that it was originally scheduled and intended that the very first of the 46 hearings would be here at the University of Michigan, and it was duly scheduled at the University's kind invitation to us to use this as a well-located place for statewide attention. Then the fellow down at the other end of our street decided to come here and give the commencement address. Some of our colleagues and the party represented by the gentleman to the right were fearful that we would upstage the President.

So we had to cancel that hearing, and we rescheduled it for last week, which was the earliest rescheduling we could do. The leadership in the House of Representatives double-crossed us and brought up an appropriations bill, so that everyone was pinned down there. We are happy to finally be able to be here to have the contribution of the people you will hear from today.

I should observe also, President Duderstadt, that I had the kind approval of the ranking Republican on the full committee, Mr. Goodling, and the ranking Republican on the subcommittee, Mr. Coleman, to have the very first hearing here. As a result of that cancellation, they both had their hearings before we had ours in Michigan. I do not want to hear anybody complaining that we do not treat our Republicans kindly.

I would like to note that missing from this panel is one of the members of our committee, Paul Henry who would have been here on either of the two previous occasions. In the meantime, he sched-

uled a dedication of some import up near Grand Rapids. I think Paul has staff here representing him today.

Dale Kildee, from Flint, and I are particularly proud that we have three Michigan people on the committee, Mr. Henry, Mr. Kildee, and me. We are particularly proud, also, to have this kind of a turnout. The three ranking Republican members of the committee have come from Wisconsin, Pennsylvania, and Missouri, respectively, to help us with this hearing today. Between them, I would suspect they represent more experience with higher education than all the rest of the members of their party on the committee combined. They are really the people with whom we are going to be doing most of our work in interpreting what we hear here and elsewhere.

I look forward to hearing the mission in perspective on reauthorization through this hearing and would now call on Mr. Coleman, the ranking member of this committee, for any comments he wishes to make.

Mr. COLEMAN. Thank you, Mr. Chairman. It is, indeed, a pleasure to be close to, if not in, Chairman Ford's district and in his home State to hear from the people in the higher education community. I kidded him the other day. I said, Bill, we have already heard from everybody, I think, at Michigan. Who are we going to have to testify when we get to Ann Arbor? I guess he was holding the president here and his testimony in abeyance.

We are looking forward to a very fine session this morning. If we represent the accumulated wisdom and time on this side of the aisle, if you combine all of us, we would probably have less than the chairman. So I want to say a few words about the role that Bill Ford plays in this subject nationwide. He is not only the chairman of the full committee and our subcommittee, but he is obviously the one who knows more about higher education than any other member of Congress, or perhaps any other human being, being the original architect of some of these programs 26 years or so ago.

It gives a sense, I think, of what Bill Ford is all about when he says we are going to approach reauthorization with an open mind to see if these programs are, indeed, serving the constituents that we had hoped they would; how we might change them? How might we redo some of his handiwork of the past? I think that says a lot about his commitment to higher education, because we know that students do change, institutions change, certainly needs change, and that is why we have reauthorizations.

So having gone through it several times in the past with the chairman, I want to commend him in his home State for the system that he has once again utilized, and that is of inquiring of the higher education community. There are, literally, hundreds of such associations and groups representing all sorts of players in the higher education arena to submit written statements of change and concerns to us, which they have done. Then to hold a number of hearings. We are at the mid-point, the 23rd out of 46—not all of them in our Nation's capital, but scattered throughout the country.

It just so happens that the ones that are scattered throughout the country are located in committee members' home areas, but we reflect a fair representation throughout the country. So I am very pleased with the process that we have set up, and to work so close-

ly with Bill Ford, a man who has great respect in the Congress and certainly among those of us who have served with him on this important committee and subcommittee.

So again, I am very happy to be here and I look forward to the testimony to be presented today.

Chairman FORD. Thank you. Mr. Kildee?

Mr. KILDEE. Thank you, Mr. Chairman. I look around here and I see several universities that have sistered my family. There are contributions that I owe, among many reasons, to U of M. I got my master's degree here a number of years ago; and my son is a senior here at the present time. I have a daughter, who is at Eastern Michigan, across the Highway 23 there, and another son who is at Michigan State. It is a very trying time. I want to extend those Pell grants and loans.

But it is good to be back in Michigan. We in Michigan very often take for granted what other people in the Nation look at with envy. We have a grand system of higher education here. It is good to be here.

Chairman FORD. Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman. When I came in, someone said three Republicans are here, and I said it is the chairman's hearing, is it not. I am happy to be here. Bill and I have worked, I think, very successfully together on school lunch, child nutrition, education, and a few other issues, including migrant issues. I look forward to working with him on the reauthorization of the Higher Education Act, and thank the president for hosting us. Penn State will soon be here to take care of all of your athletic problems that you have. Hopefully, we will win some football games and you will have fun with us playing basketball.

Chairman FORD. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. I am really here on behalf of the rest of the Big Ten, coming from Wisconsin, for two reasons. I affectionately told the chairman beforehand I am here to make sure that Michigan has something other than just a football program. I am here secondly to make sure that in the Higher Education reauthorization, the rest of the Big Ten gets treated at least half as good as Michigan will be treated during the process.

But in truth, as Mr. Goodling said, we are here because this is the chairman's hearing; and we are here because of the deep respect that the chairman is held in on both sides of the aisle. I want you to know that this chairman, I think more than any chairman that I know of, committed himself for the last time we went through reauthorization, and has committed himself again to bipartisanship when it comes to investing in the future of our country and especially in the education of our students.

We have held that tradition in this subcommittee and I anticipate that we will continue to do that. So we look forward to being here and being a part of the process.

Chairman FORD. Thank you very much for your kind words. President Duderstadt?

STATEMENT OF JAMES DUDERSTADT, PRESIDENT, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICHIGAN

Mr. DUDERSTADT. Very good. Mr. Chairman and members of the subcommittee, I am Jim Duderstadt, president of the University of Michigan. On behalf of my university, I am honored to welcome you to the Ann Arbor campus today. The hearings on the reauthorization of the Higher Education Act are vitally important to those of us in higher education, but they are also vital to the future of this country. It is for that reason that I would particularly like to applaud your effort to seek a very broad range of views from across the country through these hearings and through gathering extensive opinion and recommendations.

This visit is a particularly proud moment for those of us as Michigan citizens and as educators because it gives us an opportunity to acknowledge the vision, the commitment and the leadership that you, Mr. Chairman, along with your colleagues have provided for higher education on behalf of our Nation.

The reauthorization of the Higher Education Act, of course, is occurring at a very critical moment in time for America's colleges and universities. I use that word critical in more than one sense. As you may have noted yesterday in the Detroit papers, higher education today has come under a series of public concerns, ranging across the political spectrum.

Yet, the timing, and in some cases the stridency of these concerns are paradoxical because it comes at a time when the university is more deeply engaged in the American society, a more critical act affecting our economy, our culture, our wellbeing than ever before in our history. I believe that by just about any measure, American higher education today is doing an extraordinary job in terms of the numbers and diversity of the students we educate; our educational diversification; our intellectual vitality, measured in terms of research that creates industries, saves lives, and improves the prosperity and the quality of life for the people we serve.

Here, I might add, that it is America's system of public higher education, of which this university is acknowledged as one of the prototypes, it really is both the glory and the backbone of our system. I believe that strength in higher education is critical to the future of this Nation, particularly as we enter our 21st century, in which educated people and their ideas, that is knowledge, itself, has become a key strategic commodity.

It is higher education that will provide the competitive edge for our country. In fact, perhaps it is this increasingly critical role that higher education is playing in our society that explains, in part, the growing attention we are receiving from society at large. With the future of our country clearly at stake, it is not surprising that more people with more interests are concerned about our mission and our goals.

Mr. Chairman, I think that is why these hearings are so significant, because they offer a national forum for addressing some very critical issues before us. Let me mention several of these that relate to the reauthorization.

In general, I think the most critical issue before us today as a Nation is the renewal of our Nation's historic commitment to equal

educational access to higher education for all of those with the will and the ability to achieve and benefit from it. In that sense, we have to give a higher priority to public funded student aid, in keeping with the practice of most other advanced industrial nations.

I think we have seen over the past decade that there has been a profound, but in many ways silent shift in public policy at the national level and at the State level that has reduced public funding for student aid to postsecondary institutions to a point that really threatens to undermine the very concept of publicly supported higher education. Let me share some of specific concerns about student financial aid.

I am concerned, as are many others, about the growing imbalance between grants and loans that tends to mortgage the future of an entire generation with increasingly unmanageable debt. Loans have become too much an ingredient of educational financing, and they are threatening access to higher education. They affect the choices that our students make that may counter the national need.

In this connection, I believe that we do need to increase access to loans for middle-income families because, in particular, the middle-income students are having a very hard time coping with the increasing cost of the college education. We need to address these concerns or if we do not, many of them will be forced to accept less than the educational challenge for which they are qualified.

The loan process, itself, I think should be simplified, certainly not to reduce accountability. I think that is terribly important. But the process, itself, has become a costly and a cumbersome barrier to fairness and access.

By whatever means one attempts to refine the grant programs to reduce indebtedness, the bottom line will clearly be one determined by dollars. Here, I believe that the key is to target available dollars to students and their education. To that end, I think we have a real opportunity because of the credit reform provisions enacted as part of last year's budget act to revise, to some degree, student loan programs.

As chair of the Federal Relations Committee of NASULGC, the Land Grant and University Association, I worked with my colleagues in higher education to develop a proposal for a direct loan program to students. You have heard testimony on this last week in Washington, and it is my hope the subcommittee will consider these proposals with care.

The institutional option of direct lending is one that is supported broadly by higher education as an effective alternative to the present Stafford Loan Program. Bill language has been submitted to the subcommittee by ACE in April, and it is consistent with much of the proposal that is supported from NASULGC.

The three modifications to the Federal loan program that we support, therefore, involve a direct lending program to supplement grants and work for students who demonstrate financial need; to increase loan limits for the existing unsubsidized Parent Loan Program for Undergraduate Students, for which there is no family income test, increasing those loan limits to represent the cost of education minus student aid; and finally, permission to allow institutions to invest collections from the Perkins Loan Program in an

institutional Perkins Endowment Account so this income can be used for student grants.

The second area concerns graduate education, which I believe to be critical for the renewal of the professorate, as well as the research infrastructure of this country. I think it is all too easy to forget in the midst of the well-deserved, I think, concern about K-12 education and undergraduate education; but graduate education is the life blood of this Nation's research infrastructure, the key to the quality of our health care, our research, our scientific and technological competitiveness.

It is clear, furthermore, that what we do in graduate education today shapes the very nature of our colleges and universities well into the next century. The graduate education programs authorized by the Higher Education Act are a key component of the Federal effort in graduate education.

Nevertheless, in spite the importance to the nature of post-graduate programs, serious problems confront us. I think we have all heard of the growing concern of the decline in the availability of doctorates throughout this decade. A very high proportion of the Ph.D.s granted by our institutions are now going increasingly to foreign nationals. Minorities and women remain under represented in our graduate programs.

Beyond that, we are already beginning to experience serious shortages in high demand fields such as engineering and computer science. These shortages are important not simply to higher education, but they affect the economic competitiveness of this country because our industry is becoming increasingly dependent on personnel with advanced training.

The provision of adequate financial support for graduate and professional study is absolutely essential for attracting outstanding students into these programs in sufficient numbers to meet demands for teaching, research and scholarships; for advanced skills needed by industry and government; and for the professional and support services needed to sustain the health of our citizens and quality of their lives.

Fellowships and traineeships have proven over time to be the critical means necessary to attract talented students into graduate programs. The Title IX programs of the Department of Education play a key role in these efforts. In particular, the Harris Programs, support programs for minorities and under-represented groups are important for access. The Area of National Need and Javits Fellows Programs support vital efforts to improve the quality of instruction and research. In this respect, I would concur with the recommendations submitted to you by ACE and other higher education associations, and I believe they merit the subcommittee's consideration.

The third area, of course, is internationalization. The past several years have been extraordinary in bringing home to us the degree to which this Nation is increasingly interdependent with other nations and other peoples. In a sense, our world is rapidly becoming one world, an interdependent whole in which politics, economics, culture, ecology, and other aspects of life have to be viewed as single world systems. This is true for academia, with many implica-

tions about what and whom we teach, where we teach them, and how interact with the international scholarly world.

The cost of internationalizing our curriculum, our scholarship, and our growing educational and research collaboration with counterparts from across the world are very great. For this reason, since its inception, Title VI has made a critical margin of difference in helping provide the infrastructure necessary to teaching and research on foreign languages and area studies. It has built our national capacity to deal with issues of international security, finance, and political issues.

The national need for this international capacity building continues to grow, as does the demand for specialists in these fields. Therefore, continuation of Title VI provisions for national resource centers, for FLAS fellowships, is essential to the demand.

Title VI represents a highly successful partnership between the government and higher education. It is true that the support of these programs has been eroded over the years by inflation and, therefore, I would call upon the committee to examine whether adequate funding should be provided to restore these programs to their initial capacity.

In conclusion, the Higher Education Act, I think has been a model for this country and a successful series of programs to provide access and opportunity to our citizens to affordable, quality education at all levels. Each of the major programs under your consideration have contributed to a balanced program of access and quality: student aid, graduate education, international education, teacher education, support for libraries, and so forth. All interact on our campuses in unique ways to help achieve these goals.

Mr. Chairman, I think higher education today is addressing some of the most critical issues before our society as we approach the new century. Unlike many other institutions in American society, we have committed ourselves to achieving diversity essential to our democratic and educational mission. We are internationalizing our teaching, research, and public service. We are leading in the scholarship and research so necessary to fuel revolutionary advances in knowledge benefitting people in all aspects of their lives.

In this respect, I would like to quote Eric Block, a recent director of the National Science Foundation who, I think, put it best when a year ago in testimony he noted, "The solution of virtually all of the problems with which government is concerned, health, education, the environment, energy, urban development, international relationships, space, economic competitiveness, defense, and national security all depend upon creating new knowledge and hence, all depend upon the health of America's universities."

We can meet this challenge; we can play this role, but only with the continuation of the remarkable partnership that higher education has enjoyed with the American people and their elected leaders. I think it is encouraging for us to know we have knowledgeable and committed leaders such as you as we look forward to the years ahead. I am grateful for this opportunity to speak to you today, and I would be happy to answer any particular questions you might have.

[The prepared statement of James Duderstadt follows:]

STATEMENT

OF

JAMES J. DUDERSTADT

PRESIDENT

UNIVERSITY OF MICHIGAN

ON THE

REAUTHORIZATION OF THE THE HIGHER EDUCATION ACT

OF 1965

BEFORE THE EDUCATION AND LABOR COMMITTEE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

UNITED STATES HOUSE OF REPRESENTATIVES

FIELD HEARING

ANN ARBOR, MICHIGAN

JUNE 17, 1991

Mr. Chairman and Members of the Subcommittee, I am James J. Duderstadt. On behalf of the University of Michigan, I am honored to welcome you to our Ann Arbor campus today. These hearings on the reauthorization of the higher education act are vitally important to us in higher education and also to the future of our country. For this reason, I particularly want to applaud your effort to seek a broad range of views from across the country through your hearings and extensive gathering of opinion and recommendations. Let me add that your visit is a particularly proud moment for us as Michigan citizens and educators because it gives us the opportunity to acknowledge the vision, commitment and leadership that you, as Chairman, along with your colleagues are providing for higher education on behalf of our nation.

Mr. Chairman, the Reauthorization of the Higher Education Act comes at a critical moment for America's colleges and universities. And I use the word "critical" in more than one sense. Never in my memory has higher education been the object of more widespread critical attention from across the political spectrum. We are accused of greed, sexism, elitism, racism. It is alleged that we neglect education for greedy professional opportunism, lack integrity, cost too much, care too little, are politically correct or are elitist but also are betraying Western civilization.

The timing and stridency of this assault is paradoxical because it comes at a point when the American system of higher education is the envy of the world. I recently had the chance to hear some admittedly anecdotal confirmation for this claim at a meeting where the head of the Sony Corporation was asked to name America's greatest strength and our greatest weakness. Without hesitation he replied that our greatest strength was our system of higher education. He then added that our greatest weakness was our K-12 system (a depressing paradox in itself).

Many would agree with this assessment. By just about any measure, American higher education is doing an extraordinary job in terms of the numbers and diversity of the students we educate, our educational diversification, and our intellectual vitality measured in terms of productive research that creates industries, saves lives, improves the prosperity and quality of life for the people we serve. And, let me add, that it is America's system of <u>public</u> higher education, of which our University of Michigan is

acknowledged as the "mother" and model, that is both the glory and backbone of the system.

Our strength in higher education is critical to our future. As we near the 21st century, educated people and the ideas they produce have truly become the wealth of nations. It is higher education that has become the key resource, the competitive edge, for our country. In fact, I think it is our increasingly important role in society that explains the growing attention we have received recently. With the future of our country at stake, it is not surprising that more people and interests should be concerned about our mission and goals.

Indeed, we should encourage the American public and its leaders as well as educators, journalists, opinion makers to participate with us in debate about our future direction because the choices we make in the next decade or so will have long-range implications for our economy and society. Certainly, we need to learn from our critics and be accountable for our actions. At the same time, we must be careful to recognize the ideologues and extremists of all persuasions whose passions and opportunism might, perhaps is intended to, distract us from debate over the central educational questions of our time.

Mr. Chairman, that is why these hearings are so significant. They offer a national forum for addressing some of the most fundamental issues before us. Let me mention some of them.

Equal Access to Quality Higher Education

In my opinion, the most critical issue before us is renewal of our nation's historic commitment to equal educational access to higher education for all those with the will and ability to achieve and benefit from it. There is no more important public investment than in our youth, and through them, our future. This has never been more true than today when our economy and society are in the midst of a profound economic and social transformation in which a highly educated workforce has become the most critical element in economic competitiveness, social mobility and positive social change.

Therefore the Title IV programs are of the highest importance not just to higher education but as a vital public and long-term interest. In this connection, I have several concerns to express to you:

First, to put financial aid in a larger context, I believe the issue before us is that we must reaffirm our obligation as a society to invest in our future through public support for higher education. We must give a higher priority to public funding student aid in keeping with the practice of most of the advanced industrial nations. During the last dozen years there has been a profound but near silent shift in public policy at the national and the state level that has reduced public funding for student aid and post secondary institutions to a point that threatens to undermine the very concept of publicly supported higher education. While the lifelong monetary value of a college education for individuals clearly suggests that students should bear a reasonable part of its costs, I think the pendulum has swung too far. It is time for us in society to reassess our long- and short-term interests and direct more of our resources to long-term investments in education at all levels. If we do not, I believe the consequences will be a serious decline in our standard of living and place in the world.

With that said, I would like to address some specific concerns about student aid as follows:

(1) The growing grant/loan imbalance is mortgaging the future of a whole generation with increasingly unmanageable debt. Loans have become too much an ingredient of educational financing--even for those from very low income backgrounds. This is threatening access to higher education and affecting vocational choices in ways that may be counter to the national need for teachers and other public sector professionals. It is also mortgaging our future prosperity, as an increasing proportion of earnings go to debt service.

(2) In this connection, we need to increase access to loans for middle-income families. It is important to note here that our University has made a commitment to achieve diversity in our student body, and we have made important strides in increasing our enrollment of underrepresented minority students and the underprivileged. We are very proud of our efforts and see them as a cornerstone of our commitment to educational excellence and equal access. Federal loans and grants have been critical in providing support

for students who could not otherwise enroll. But we now find that middle-income students are having a very hard time coping with the increasing costs of tuition and other costs. We need to address their needs or force too many of them to accept less than the educational challenge for which they are qualified.

I can summarize my concerns by advocating more money for more students. But I am comfortable in doing so because I do not believe the American public can invest in anything that will have more potential for improving our individual and collective prosperity and well being.

(3) Anything you can do to simplify the loan application process will serve the interests of all concerned. I am not advocating less accountability. On the contrary, I share your concerns to assure greater accountability. But the process itself has become a costly and cumbersome barrier to fairness and access.

(4) By whatever means you attempt to refine the grant programs to reduce indebtedness, the bottom line will be dollars. Here I believe that the key is to target available dollars to students and education. To that end, I urge you to give serious attention to revising the student loan programs to take advantage of the credit reform provisions enacted as part of last year's budget act. Credit reform provides an excellent opportunity for the Congress to develop a rational system of student loans, simplify the student aid process, and make additional funds available to assist students.

(5) As Chair of the Legislative Committee of the National Association of State Universities and Land Grant Colleges (NASULGC), I have helped develop a proposal for direct lending to students. I believe you heard testimony on this last week in Washington, and I hope the Subcommittee will consider it with care. The NASULGC Executive Committee already has endorsed the idea. If there turn out to be serious impediments to enactment or if a better reform package comes along, we are open to changing our view. However, at this point we believe direct lending is the most effective alternative to the Stafford Loan Program.

The NASULGC loan package has three major components: direct lending for students who demonstrate financial need to supplement grants and work;

increased loan limits for the existing unsubsidized Parent Loan Program for Undergraduate Students (PLUS), for which there is no family income test, to cost of education minus other student aid; and, permission to invest collections from the Perkins Loan Program in an institutional Perkins Endowment Account so that the income could be used for student grant or work programs.

As you are aware, the institutional option of direct lending also has been proposed to this Subcommittee by the American Council on Education (ACE) and twelve other associations. The bill language submitted to this Subcommittee by ACE on April 8, 1991, is consistent with much of the NASULGC proposal. The Stafford loan program, as you know, uses the same family-needs test (Congressional Methodology) that is used for Perkins loans and other campus based assistance.

Graduate Education

Graduate education is critical for the renewal of the professoriate and the research infrastructure. Concern for graduate education can easily be lost in our preoccupation with K-12 and undergraduate education. But at a research university of the comprehensiveness and quality of Michigan, doctoral education is central to our mission. Graduate students are the critical link between yesterday's college students and tomorrow's college and university faculties. Graduate education holds the key to educational reform at all levels. It is the lifeblood of our research establishment, health care, research, scientific, and technological competitiveness. What we do in graduate education today will shape our colleges and universities and our society well into the middle of the next century. The graduate education programs authorized by the Higher Education Act are a key component of the Federal effort in graduate education.

The Harris programs and support programs for minorities and under-represented groups are small but important for access. The Area of National Need and Javits Fellows Programs support vital efforts to improve the quality of instruction and research. It is important to note that the Javits Program is the only Federal fellowship program for students in the Arts and Humanities. In general I concur with recommendations submitted to you by ACE and twelve education associations, and I believe they merit your careful consideration.

The nation's programs of graduate and professional education produced approximately 34,000 Ph.D s, 309,000 master's degrees, and 71,000 professional degrees in 1989. The talented students who complete these programs are a rich resource for the nation. Doctoral recipients become the scientists, teachers, and scholars responsible for the discovery and dissemination of new knowledge and the preservation and interpretation of our intellectual and cultural heritage. Master's degree students receive advanced training finely tuned to the array of skills needed by industry to help maintain our nation's competitiveness in the global economy. Master's programs also prepare students for public service careers and, for many students, provide a stepping stone to doctoral or professional study. Because graduate and professional education serve important national needs, the federal government plays a significant role in their support.

Despite the importance to the nation of these postbaccalaureate programs, serious problems confront them. The proportion of Ph.D.s granted by our universities that go to U.S. students has been declining for over two decades. Minorities and women remain underrepresented in most master's and professional programs as well as in doctoral programs. In an analysis of the academic labor market for arts and sciences disciplines, William Bowen and Julie Ann Sosa have projected that, absent intervention, current trends in Ph.D. supply and demand will result in substantial shortages of Ph.D.s beginning in just a few years and extending into the next century. According to their projections, between 1997 and 2002 there will be only eight candidates for every ten faculty vacancies across arts and sciences disciplines; over that same period, only seven candidates will be available for every ten vacancies in the humanities and social sciences. Shortages in such high-demand fields as business, computer science, and engineering are already occurring. These shortages will affect industry as well, which has become increasingly dependent on personnel with advanced training to conduct its R&D programs.

The provision of adequate financial support for graduate and professional study is essential for ensuring the infusion of a critical mass of talented students into these programs in sufficient numbers to meet future demands for teaching, research, and scholarship; for advanced skills needed by industry and government; and for the professional and support services needed to

sustain the health of our citizens and the quality of their lives. Fellowships and traineeships are a proven means to attract talented students into graduate and professional programs, increase retention rates, and reduce time-to-degree. These forms of support enhance institutions' own efforts to improve doctoral programs. The Title IX programs of the Department of Education play a key role in these efforts.

Internationalization

As we have seen in recent months, events in what were once remote regions of the world now have come to have a direct impact on the lives of every American. Our world is rapidly becoming one world—an interdependent whole—in which politics, economics, culture, ecology and many other aspects of life must increasingly be viewed as single-world systems. This is also true for academia with many implications for what and whom we teach, where we teach them, and how we interact with the international scholarly world.

The costs of internationalizing our curriculum and scholarship and our growing educational and research collaboration with counterparts throughout the world are very great and often difficult to meet out of already shrunken budgets. For this reason, from its inception, Title VI has made the critical margin of difference in helping provide the infrastructure for teaching and research on foreign languages and area studies. It has also helped to build national capacity to deal with international security, finance, and political issues that has greatly strengthened our world leadership.

Even as the Cold War has waned, new and pressing challenges have arisen: environmental and health problems which are global in scope; concern for American prosperity as economies become more interdependent; and serious regional conflicts due to racial, religious, ethnic, economic, and cultural differences. At the same time, new opportunities are arising from the growth of democracy, free enterprise, and political freedom around the globe. In this rapidly evolving world, our nation's store of knowledge and our ability to deal with other people and regions of the world have become even more critical and so have the programs authorized under Title VI.

Over the years, the key components of Title VI have been the authorization of National Resource Centers and fellowships for Foreign Area and Language Studies. With the assistance of FLAS fellowships, the National Resource

Centers have been instrumental in producing the specialists who serve the federal government, teach in the nation's colleges and universities, and staff our increasingly internationalized business enterprises. Centers also play an important role in disseminating knowledge to the government, to teachers at all levels of the education system, and to other sectors of society, including general programs for the citizenry at large. In short, Title VI has produced a relatively small, cost effective, and productive infrastructure which supports our national competence in foreign languages and international knowledge.

As the national need for international capacity-building grows, so does the demand for specialists in foreign language, area studies and other international fields. Continuation of the Title VI provisions for National Resource Centers and FLAS fellowships is essential to meeting this demand. Without the participation of the federal government, it is unlikely that universities alone can sustain the infrastructure developed over the past 30 years. For example, at the University of Michigan, Title VI funds account for approximately 10 percent of the library purchases for area studies collections; this 10 percent is essential if the quality of the research materials is to be preserved in our areas of specialization. Title VI provides critical support for courses in important languages such as Farsi, Turkish or Polish. The first generation of scholars produced by Title VI in the 1960s is now retiring, and FLAS funds will be extremely important in helping to produce a new cadre of experts to help the nation face a rapidly-changing international scene.

Internationalization is affecting professional fields from social work and law to business and engineering. The National Resource Centers increasingly maintain joint programs with professional and technical fields, a trend which should be encouraged. Title VI - Part B, which authorizes international education programs related to business, is an important step towards addressing the nation's need for international expertise in the global market place. Part B should be retained and supported.

One of the most pressing needs of higher education is development of our ability to participate in the "world pool of knowledge." Linkages with universities and research institutions abroad enhance our own research and educational capacities and create important connections with future leaders and scholars in other nations; they also provide important opportunities for students and faculty to develop the solid insight which comes only with work

and study in another culture. Title VI should incorporate provisions to help universities establish new linkages abroad so that the international goals of the legislation can be more effectively met. To facilitate collaboration and research abroad, the Fulbright-Hays program, which is complementary to on-going activities under Title VI, should be transferred from the Mutual Educational and Cultural Exchange Act to the Higher Education Act; both Title VI and Fulbright-Hays are administered by the Department of Education, and such a transfer would permit improved coordination and review of these complementary programs.

Title VI represents a highly successful partnership between the government and institutions of higher education. Since the 1960s, however, the federal investment in Title VI and Fulbright-Hays programs has been seriously eroded by inflation and extended periods of flat funding. At the same time, there has been a gradual increase in the responsibilities of these programs and heightened demand on their resources. As the nation increasingly calls upon the intellectual capacity of our foreign language and area experts, funding for the core functions of Title VI should be established at an adequate level for the 1990s before any new functions and programs are added.

Conclusion

The Higher Education Act has helped provide access and opportunity to our citizens through an affordable, quality education at all levels. Each of the major programs under your consideration contribute to a balanced program of access and quality—student aid, graduate education, international education, teacher education, libraries, TRIO—all interact on our campuses in unique ways to help achieve these goals.

Mr. Chairman, I believe our colleges and universities are addressing some of the most critical issues before our society as we approach a new century. Unlike many institutions, we have committed ourselves to achieving diversity so essential to our democratic and educational mission. We are internationalizing our teaching, research, public service, and our network of scholarly interactions with counterparts throughout the world. We are leading in the development of information technology and its educational and research applications, fueling revolutionary advances in knowledge that are benefiting our people in all aspects of their lives.

We face formidable challenges and extraordinary opportunities in the years ahead. We will not continue as world leaders in higher education without the continued creative partnership with our people and their elected leaders that has been so much a part of our success until now.

It is good to know we have knowledgeable and committed leaders such as you to look to as we proceed.

That is why your hearings are so important. I am deeply grateful for this opportunity to speak to you today and will be glad to answer any questions you may have.

Chairman FORD. Thank you very much, President Duderstadt. Before we go on, I think it is important for the record to show that we are in the district of our colleague Carl Pursell, who would have been here even though he is not a member of the committee. We have maintained contact with him since we stated our original intention to come here. Again, he is the victim of the changes we had to make; but he would be with us today because he has great interest in this subject and also because he is an important vote to us when the legislation gets to the Appropriations Committee.

Mr. Coleman?

Mr. COLEMAN. Thank you, Mr. Chairman. Dr. Duderstadt, I agree with everything you have said. I do want to point out that I think there is a bi-partisan consensus emerging from this committee regarding helping middle class. Many of us have felt for years—we have introduced legislation and moved it through the House in some cases, but it never became law—that the middle class, who pay their fair share of taxes and are being squeezed by these costs, end up paying the full share of costs to attend school.

So we have a proposal that would exclude home equity and the family farm. These fixed assets, which are non-liquid in nature, will not force a family to triple mortgage or to sell off in order to send somebody to school. I assume we have your support in that type of an effort to try to get the middle class more involved.

Mr. DUDERSTADT. Very much. The middle class, of course, has traditionally been really the predominant source of students for public higher education; and we are very concerned about what has been called the dip in the middle. We are providing strong support for those that are less or least able to attend, or those that can afford and have access; but those in the middle that pay most of the bills have been left out to some degree. So I think it is commendable, the direction we are moving in.

Mr. COLEMAN. I am glad to hear of your support for that concept. I was very, very happy to see your statement on graduate education, a field about which I think you are right on target in saying, as you did on page five, that it holds the key to education reform at all levels. We are talking about pipeline issues that relate back to the elementary aged children in this country. If we do not produce our own Ph.D.s to end up as the teachers of the next generation, or the classroom instructors in college and high school, and rely upon perhaps non-U.S. residents, we are going to be in a very difficult position. This we are already beginning to see.

You are absolutely right. The decline in U.S. Ph.D.s in certain areas of critical national need is below 50 percent. In other words, if this applies to an average institution in this country, at graduation, it would give over half of its Ph.D.s in physics and engineering to non-U.S. students and residents. It is nice to have these folks matriculate on campus, but it is also important to have American students in these classrooms.

Our national need program, as you mentioned, it was passed in 1986, this is an example of why we have reauthorization, so we can take note of needs and make changes. Five years ago, we instituted this program with the help of Carl Pursell and others on the Appropriations Committee. We have been able to increase that appropriation through the years from $25 million to a total of $60 mil-

lion. We hope for even more this year so we can educate our own, if you will, and be dependent upon ourselves and not on foreign nationals in these areas that are critically important to the future of this country.

So I am delighted to see your statement. We will use it to our best advantage wherever possible.

Mr. DUDERSTADT. Very good. I sometimes refer to that as the air bubble in the pipeline because in a sense, we do not have an adequate number of U.S. national graduate students or faculty members to provide the role models to encourage undergraduates to further their education and hence, work our way back down that pipeline. It is an area of critical importance.

Mr. COLEMAN. Thank you.

Chairman FORD. Thank you. Mr. Kildee?

Mr. KILDEE. Dr. Duderstadt, I read your testimony as I was flying in from Washington last night. You mentioned that higher education is the envy of the world. I think it is. As Mr. Coleman pointed out, it is one our exports. When you export Ph.D.s, it is a great sign of health of higher education, but also it presents some problems when few of our own are getting those.

Having said that, you also indicated that it is generally felt that we have serious problems in our K-12 system. I am Chairman of the Elementary, Secondary, and Vocational Education Subcommittee, and I am very concerned with that. Besides being problems in themselves, to what degree do those problems in K-12 education present to the future of higher education in this country?

Mr. DUDERSTADT. Well, clearly, higher education is intimately coupled to what happens in K-12 education, the seamless web concept. We draw our students from K-12; and to the degree that they are under prepared, they cannot really benefit from the type of education that we offer. We find ourselves increasingly engaged in remedial education. Beyond that, I do not believe that American higher education has paid adequate attention to the impact we can have on the quality of K-12 education.

On this campus, and I think on many others across the Nation, we are beginning to awaken to our own responsibilities for working with public education at the primary and secondary level, in looking at how our schools of education and more broadly, all of our academic programs involved, to produce the teachers of tomorrow. I view both as intimately coupled, and we are very, very dependent on the quality of K-12 education and have a vested interest in doing more to help.

Mr. KILDEE. What is the status of your teacher training program here at U of M now? How many are involved in teacher training?

Mr. DUDERSTADT. Well, I think what we are finding is that increasingly, the teachers of tomorrow are not necessarily coming out of schools of education. They are students with broad liberal arts background, and they take specific training in pedagogy. But for example—and I would speak to this as chair of the Education and Human Resources Committee of the National Science Board. We want to see people with degrees in mathematics and physics and chemistry in the classroom as science teachers, rather than graduates from our schools of education.

What we are doing is using our schools of education in somewhat different way. Those schools, of course, do the necessary research to identify what the real issues are, but we see students, the teachers of tomorrow, coming from the full spectrum of university programs. I think that is healthy for American higher education.

Mr. KILDEE. The President and Lamar Alexander, who will be testifying before my committee tomorrow, have suggested that we fund 535 model schools throughout the country, one in each Congressional district, two in each State. Could the universities in this countries, for example, the University of Michigan, not play a role in giving some direction and guidance to those model schools for Congress to follow the President's suggestion?

Mr. DUDERSTADT. I think the universities certainly could and should. As you are aware, in the State of Michigan we have such a program in place, the Michigan Partnership for a New Education, which represents a cooperative program involving Michigan, Michigan State, Wayne State, increasingly other public institutions in the State, that are putting into place such developmental schools and really provide the infrastructure for just such a program.

I do believe that sprinkling these types of innovative experiments around the country as role models is very important, and I think engagement of higher education, challenging higher education to be a part of that is also important.

Mr. KILDEE. One final question, if I may, Mr. Chairman: What should Congress do in Title V of this bill, the teacher-education part? Is there anything that we can do to help encourage more to go into teaching? I went into teaching the way you described. I got my bachelor's degree and then decided to go into teaching and went to the University of Detroit and got my teaching certificate after I got my Masters. What can Congress do in Title V to encourage more skilled people to go into the teaching profession?

Mr. DUDERSTADT. Well, I must admit I do not have concrete proposals on that; but I would say that I think that one of the very tragedies in education today is that teaching is not viewed upon as an attractive career by our most outstanding students. Yet in my mind, it is one of the most honorable careers, a career that has one of the strongest impacts of any area a student can go into.

Somehow we have to make teaching an honored, a valued profession once again so that it has the capacity to attract our very best students. I think that goes far and beyond simply issues of financial aid or incentives, and it really will have a lot in changing the way that our society looks at teachers, honors teachers, respects teachers. It is a very broad issue, but one we have simply got to come to grips with during the 1990s.

Mr. KILDEE. Unfortunately, we measure honor in society very often by how we compensate people.

Mr. DUDERSTADT. I am afraid that is true.

Mr. KILDEE. If you go in any community here in Michigan, no matter what size, and look at the lawyer, the doctor, and the teacher, we know which one is being paid the least of three professions. Yet, that teaching profession is very, very important. Why do we honor less and measure that honor by compensation less for teachers?

Mr. DUDERSTADT. Speaking as an engineer that is also one of those professions that is honored by compensation lower on the list, I ask that question myself. In a sense, I think our society does have things backwards. It has been a source of frustration with those professions that are most directly related to people and their needs. I look at education as one of those that tend to be somewhat less valued in the marketplace.

I think society, as it becomes more and more dependent on education, can change that; but it will have to happen over time. It will not happen immediately.

Mr. KILDEE. Thank you very much. Mr. Chairman?

Chairman FORD. Just one comment, President Duderstadt. As an engineer, albeit underpaid for the level of education that you engage in, you are lucky you are not in a profession that historically was populated by women such as teaching and nursing, or you really would be underpaid.

Mr. DUDERSTADT. Correct.

Chairman FORD. That clearly is the biggest factor involved in those two professions, being the most overtrained for the amount of money that we pay them. Maybe we will break away from that someday. I noticed recently somebody was comparing teachers' pay in this country with other countries and saying why, if we pay so much money in comparison to what people pay teachers in foreign countries, is there such a difference?

The part of it that they always overlook is that if you compare a teacher with a lawyer, or a teacher with any other kind of college graduate in Europe, you will find that the big gap between the two does not exist. Even though we may pay teachers more than they pay teachers, their teachers are thought more highly of because the comparison within their own society between what teachers make and other college trained people make is much different than it is in ours. We do it to ourselves, I believe.

Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman. I might also mention our colleague who represents this area. Up until recently, I would send all the homemade ice cream and the strawberries and the fruit that we produced at home, etc., etc., to Mr. Natcher and Mr. Conte because we can authorize all day. If they do not appropriate, we are in trouble. Mr. Pursell will now receive Mr. Conte's goodies from the 19th Congressional District.

I was pleased and perhaps dismayed—I am not sure—with your comments concerning teacher training; pleased that you said that we recognize that we are part of the problem, as I have recognized for years that the teacher training institutions, the college and the university, are surely part of the problem when it comes to training teachers; and dismayed, I guess, in that I was not quite sure if I added a few words to what you were saying. I hope you were not saying that coming from some of these other areas are our secondary teachers and we will continue to educate the elementary teachers in our teacher education area, because it is they who have suffered the most.

Mr. DUDERSTADT. That is right.

Mr. GOODLING. Because you have taught them how to teach math and how to teach science, but you did not teach them any math or

any science. Of course, those that are out there are having to teach every subject there is. We turn them off in math and science then until they get to the sixth, seventh, eighth and ninth grades. So I hope I was incorrect adding that line to what I thought you were saying.

Mr. DUDERSTADT. That is right. I think that teaching is a learned profession and in a world of extraordinary change, ever accelerated change. I think a liberal arts undergraduate education is the best foundation to participate and to keep pace with that world. I think that would characterize primary and secondary education, as all of the other learned professions. I think that is the necessary ingredient for life in the 21st century, quite frankly. That is the underpinning, I would think, of the education for our teachers.

Mr. GOODLING. Mr. Shanker has given us a lift in that he does not insist that there cannot be an alternative certification insofar as teaching is concerned. I do want to echo what Mr. Coleman said. He has been pushing middle-income American help for many, many years. Since becoming popular now, maybe we will be able to move in that direction. I have decided that all people are probably like I am. Having property does not mean you have wealth. It means you owe a lot to the bank or the savings and loan institutions.

Thank you, Mr. Chairman.

Chairman FORD. Thank you. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. One question, President Duderstadt. There were two statements in your testimony that caught my attention. One is that we need more money for more students. The second one was in the area of the graduate programs that the women and minority communities are significantly under represented.

Both of those statements, at least from my way of thinking, bring me to one of my particular concerns. That is the non-traditional student. Probably, there is no constituency in higher education that has been more ignored in financial aid areas than the non-traditional students. I would appreciate it if you could give us some insight as to the ages of non-traditional students you have here at U of M, and also any particular recommendations you believe we ought to pursue on behalf of those non-traditional students.

Mr. DUDERSTADT. Certainly. It varies among our campuses. On our Dearborn and Flint campuses, the average age of the student body is now in excess of 30. So most of those students are non-traditional. On this campus, the average age, which is one way to measure it, is going up; and we are seeing that more and more.

I think the principal modification that needs to be taken into account are the family responsibilities associated with non-traditional students. We see this particularly for single parents that are coming back to school in a variety of ways and really are facing a very serious challenge of providing for adequate child care, health coverage and so forth, as they attempt to maintain the very rigorous requirements of an academic schedule.

This is an area that universities in and of themselves are attempting to be far more sensitive to, but I think we need help really from government if we are to serve that. I think you are

right on target. In this kind of knowledge intensive society we are already becoming, people will find it necessary to go back into formal education many times during their lives.

Therefore, I think we really are looking at lifetime education; and many of the traditional models and perspectives we have had no longer apply. We simply have to broaden these out. The non-traditional student will become, in a sense, the normal student at our college campuses in years ahead.

Mr. GUNDERSON. Thank you.

Chairman FORD. Thank you very much, President Duderstadt. We do appreciate everything that the people at the University of Michigan have done to finally make it possible for us to have a Michigan hearing on this subject. We also appreciate the fine support that they have given us in setting up the hearing and getting these gentlemen here from other parts of the country. We appreciate it very much.

Mr. DUDERSTADT. We are very much honored to have you here. When you come back with your respective Big Ten teams, we will meet you in a different part of the university campus. Thank you.

Chairman FORD. Now we will have a panel with Dr. William Shelton, President of Eastern Michigan University; Sister Maureen Fay, President, University of Detroit/Mercy; Dr. Anthony J. Diekema, President, Calvin College in Grand Rapids; and Mr. David G. Moore, President of Mott Community College, Flint, Michigan.

Without objection, the prepared testimony of all of the witnesses, starting with Dr. Duderstadt, will appear in full in the record immediately following their oral presentation. Dr. Shelton and Sister Maureen, you can proceed in any way you wish to supplement, augment, or highlight your testimony for the record. Go ahead, Dr. Shelton.

STATEMENT OF WILLIAM E. SHELTON, PRESIDENT, EASTERN MICHIGAN UNIVERSITY, YPSILANTI, MICHIGAN

Mr. SHELTON. Thank you, Mr. Chairman, members of the committee. I, too, am delighted to welcome you to the State of Michigan, to Southeastern Michigan. I welcome you on behalf of the board of regents, faculty, staff, and students of Eastern Michigan University, which happens to be located in Michigan's 15th Congressional District, which is represented by one of America's greatest spokespersons for education, William D. Ford, and we are honored to acknowledge that.

In hearing President Duderstadt speak a few moments ago, I agree with my esteemed colleague is so many ways. However, I think they are creating solutions to a variety of challenges we face in education today. It reminds of the story of the freshman in the philosophy class who had been there the whole semester and heard the professor lecture repeatedly. The time comes for the final exam and he goes into the class.

The faculty member brings out one chair and sits it in the middle of the room. He says to the class, all right, you have two hours; take out your pencil and paper. For two hours, write to prove to me that that chair exists. Most of the class members groaned. One young man, however, quickly took his pencil out,

took out his paper, wrote quickly, walked up, handed his paper in, and walked out. His response was, what chair?

I suppose when we talk about teacher preparation, there are a variety of ways to approach it. I think Eastern Michigan University, founded in 1849 as the first teacher preparatory institution west of the Alleghanies, and today serving some 26,000 students as a comprehensive State university; but according to the Directory of the American Association of Colleges of Teacher Education, Eastern was the top producer of master's degree recipients, the top producer of elementary and secondary teachers for advanced certification, and the largest producer of school personnel, in the Nation.

We are an active member of the Renaissance Group, which is an organization quickly gaining national attention for its commitment to quality preparation of America's teachers. So I think we have a basis for understanding the challenge of teacher education, and I think Eastern Michigan University, as I noted in my prepared comments, is representative of a lot of institutions in this Nation, institutions that began as normal schools but over the period of time have expanded in terms of research, have expanded in terms of public service; and yet, as our statement in 1849, said, we believe that we should provide a good, common school education. Eastern has held firmly to that now for more than 140 years.

We speak of diversity in our society today in our student bodies. The diversity of students creates a diversity of student needs, which in turn creates a diversity of educational and institutional responses. I realize that diversity in Washington today is rather a hot topic, a lot of discussion as to what diversity means. I am not going to add fuel to that. You will be hearing some testimony, as you already have, I am sure, at other hearings effectively presented relating to student financial aid and its implication for diversity within the student body.

My reference this morning is diversity from an institutional perspective. There are many types of educational institutions represented in the room today, as we have heard in one of the world's greatest research institutions; no question about it. We have the tudor institution. We have the private institution. I believe that effective education in America requires diversity of educational opportunities as provided through diverse educational institutions.

That is what I would encourage today that the committee considers as it prepares this, that there not be one model of excellence in education, that there by multiple models of excellence. What you are able to do through the Higher Education Reauthorization Act is to ensure that those multiple models of excellence exist in our Nation. It is in our Nation's best interest to maintain the diversity of educational opportunities for our citizens, to provide different methods of delivery of education.

I strongly encourage the continued and indeed expanded commitment to providing resources needed by students to gain an education. I strongly encourage the continued commitment to support a basic research in the academy; and I strongly encourage greater support for applied and practical field base application of new teaching and learning techniques.

In essence, through the reauthorization of the Higher Education Act, multiple models of excellence in American education can be

encouraged and can be supported. When we talk about reform—and everyone is talking about reforming education today--I do not believe that any effective reform can take place in American education if it is not focused on the classroom.

Any other reform will be wasted time and wasted energies from my perspective. Those classrooms are in many types of institutions, elementary, secondary, and higher education. The reform effort cannot be successful or will not be successful without a strong teacher preparation component. I would encourage the committee to continue its interest and support, and I have heard some wonderful statements today recognizing the importance of education in a variety of institutional settings.

The comprehensive State colleges and universities have contributed and will continue to contribute to the richness and the creativity of our human resources. We are the front line institutions which serve a diverse body of student needs.

We appreciate your interest and your support. We are delighted that you are in the great State of Michigan. You have a difficult challenge, I understand, responding to the many demands for resources in our Nation today. Eastern Michigan University, which is the largest producer of education personnel in the United States, is willing to assist.

[The prepared statement of William E. Shelton follows:]

Testimony to the House Subcommittee
on Postsecondary Education

Reauthorization of the Higher Education Act Hearings

William E. Shelton, President
Eastern Michigan University
June 17, 1991

Good morning. On behalf of the Board of Regents, students, faculty, and staff of Eastern Michigan University, I am pleased to welcome you to Washtenaw County and the great State of Michigan. We are especially proud to be located in Michigan's 15th Congressional District, represented by one of America's greatest spokespersons for education, William D. Ford.

Eastern Michigan University was founded in 1849 as the first public teacher preparatory institution west of the Alleghenies. Today Eastern is a comprehensive university with five colleges and a graduate school serving almost 26,000 students. Though offering majors in approximately 230 fields of undergraduate and graduate study, I am pleased to report that our institution has never strayed far from its original aim, as identified almost 142 years ago, namely to provide instruction "in the art of teaching and in all the various branches that pertain to a good, common school education."

In 1989-90, the Directory of the American Association of Colleges of Teacher Education reported that Eastern was: the top producer of master's degree recipients; the top producer of elementary and secondary teachers for advanced certification; and the largest producer of school personnel in the nation. We are also an active member institution in The Renaissance Group, an association of colleges and universities committed to the quality preparation of America's teachers. The Renaissance Group adheres to twelve basic principles as articulated

in TEACHERS FOR A NEW WORLD. I am pleased to share copies of the publication with you.

Eastern Michigan is representative of that larger number of sister institutions with similar roots and characteristics. We began as a normal school, and, though our research and community service activities continue to grow, we still focus our primary energies on high-quality instruction and, to a considerable extent, career preparation. We believe that "a good, common school education" has merit. Last year Eastern launched an exciting new initiative which we call the "Learning University" concept. Simply stated, we will make whatever changes necessary in how we operate to ensure that teaching and learning are the center of the University.

We speak frequently of diversity in our society and in our student body. This diversity of students creates a diversity of student needs which, in turn, requires a diversity of educational and institutional responses. I realize that "diversity" is a hot topic in Washington these days and it is not my intent to contribute more fuel. You will be hearing testimony, effectively presented, relating to student financial aid and its implication for diversity within the student population.

My reference to diversity is from an institutional perspective. Many types of educational institutions are represented in this room. Our facilities and resources may vary; our missions and goals may use different phrases and emphases; but each institution makes an important contribution to students and our society. We must not, therefore, allow "excellence" to become a one-dimensional term in American higher education.

We need multiple models of excellence in education. It is in our nation's best interest to maintain that diversity of educational opportunities for our citizens. I strongly encourage the continued and, indeed, expanded commitment to providing resources needed by students to gain an education. I strongly encourage the continued commitment to supporting basic research in the academy. I strongly encourage greater support for applied and practical field-based applications of new teaching and learning techniques. In essence, through the Reauthorization of the Higher Education Act, multiple models of excellence in American education can be encouraged and supported.

The comprehensive state colleges and universities have contributed, and will continue to contribute, to the richness and creativity of our human resources. We are frontline institutions which serve a diverse body of student needs.

Again, thank you for your interest and support. You have a difficult challenge in responding to the many demands for resources in our nation today. If we may be of assistance in providing additional information, please let us know.

Thank you for this opportunity to visit with you.

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Teachers for the New World

A Statement of Principles

The Renaissance Group

University of Alabama at Birmingham
Ball State University
California State University at San Bernardino
Eastern Michigan University
Emporia State University
Illinois State University
Millersville University of Pennsylvania
Norfolk State University
University of Northern Colorado
University of Northern Iowa
Western Kentucky University
Winthrop College

February, 1991

Published by the University of Northern Iowa
Cedar Falls, Iowa 50614

Preface

In May of 1989, a small group of presidents and deans of education from institutions with a major commitment to teacher education met on the campus of the University of Northern Iowa in Cedar Falls. Representatives of the American Association of Colleges for Teacher Education and the American Association of Higher Education attended the meeting.

The universities participating in the meeting were: University of Northern Iowa; Florida Atlantic University; Western Kentucky University; University of Alabama at Birmingham; University of Northern Colorado; and California State University at San Bernardino.

The purpose of the meeting was to consider (1) the current state of the national reform effort to improve teacher education, (2) the present role of state colleges and universities in these reform efforts, and (3) the future role that institutions of this type might play in the national efforts to improve teacher education.

Throughout the conversations, there was interest in the characteristics that distinguish programs that prepare teachers in state colleges and universities and in the identification of principles of good teacher education reflected in these programs. Although little effort was made to achieve consensus on any issue, the group did agree on a number of principles of quality teacher education programs and decided to meet again to further refine these principles.

A second meeting was hosted by the University of Northern Colorado in August, 1989. The original set of institutions participating in the Cedar Falls meeting were joined by Ball State University and Millersville University of Pennsylvania. The American Association of Colleges for Teacher Education was again represented at the meeting. The list of principles of quality programs for the preparation of teachers was refined, and the principles were discussed in relation to the larger societal context of education in American society. The group also started to define an action agenda.

A third meeting was hosted by Western Kentucky University in November, 1989. The same institutions convened to reach final consensus on the principles of quality programs for the preparation of teachers, to agree on an action agenda for implementation of these principles, and to lay plans for the continuation and expansion of the group. Those principles and the agenda for action are contained in the pages that follow. The group selected as its name, the Renaissance Group.

Teachers for the New World

Children are the key to the future of our society. Although all segments of society share responsibility for these children, schools play a central role in preparing them for positive and productive lives in the twenty-first century. This reliance on schools for the proper education of our children is, however, occurring in a period of unprecedented social, scientific, and technological change. Urbanization of our society continues at a rapid pace. Pluralism of our culture is increasing. The stability of the family is decreasing. Knowledge is doubling every three years. Technological developments change our lives almost on a daily basis. The speed of computers is increasing dramatically while their size and cost decreases. This is the environment in which schools attempt to prepare citizens for the next century.

Schools and the university programs that prepare teachers and other educators for these schools have not, unfortunately, changed as quickly as necessary to reflect the demands of a changing social environment. Schools generally remind us of our past more than of our future. Therefore, it is essential that colleges and universities intensify their efforts to prepare educators to lead our schools into the next century.

The rapidity of change and the increasing complexity of our society suggest that all community agencies and resources devoted to the service of youth should work cooperatively to bring the highest quality educational experiences possible to our young people. Although teachers and schools should continue to play a pivotal role in this effort, an array of other human service professionals also can play vital roles in the education of our children. Recreation, health, social welfare, justice, and, indeed, a large part of the infra-structure of our society exist to serve children and youth. These agencies, along with the schools, are partners responsible for the quality of education provided to our young people.

Since the school is the single institution in society that has contact with almost all youth, the school should play a leadership role in coordinating the community effort to meet their needs. The school must be viewed, however, as but one part of a total systemic effort of the larger community to provide a coordinated educational experience for its young people.

Teaching and Leadership in the New World

An essential ingredient in providing schools for the new world will be teachers and other school and community leaders prepared to lead education into the next century. Teachers for the future must have in-depth knowledge of subject matter. They must be skilled at constructing and using metaphors that are appropriate to understanding that subject matter. They must understand the structure of knowledge of the disciplines they will be teaching and the inter-relationship of knowledge from various disciplines. They also must demonstrate an understanding that problem- solving requires application and knowledge from many disciplines. These teachers also must know how to teach. They must be adept at managing classrooms. They must understand sequencing of learning experiences and be able to match their teaching with the experiences and cultural backgrounds of their students. Teachers and school leaders must be articulate about their plans and designs for instruction and dedicated to their careers in teaching. They must understand education as a social system and how the school links to other community agencies. Ultimately, they must use their knowledge and skills to assist our children and youth to have a sense of fulfillment and an

appreciation of life's experiences and to become productive workers and capable leaders in the new world.

Another key element for new world schools is the preparation of effective school administrators. America needs school leaders who care about children. They must be skilled not only in administration but also in ways of leading education personnel in the business of schools—teaching and learning. School administrators must be visionary and at the same time skilled in knowing how to manage and structure complicated social systems. Leaders for the new world schools must understand, initiate, and manage change to facilitate school improvements and innovation. Administrators must understand and appreciate the role of teachers in providing leadership in the new world schools. The ultimate focus for all of this effort always must be the children.

Statement of Principles

Most school practitioners receive their preparation in state colleges and universities. With their long history and tradition in education, state colleges and universities are uniquely equipped to provide leadership in the reform of teacher education. However, all colleges and universities provide a valuable resource to American education. Those institutions that subscribe to the principles of the Renaissance Group are uniquely equipped to provide leadership in the reform of teacher education. The university-wide commitment to the preparation of teachers on their campuses, outstanding faculty members in all disciplines devoted to the education of teachers, and extensive relationships with schools and other educational agencies provide them with the opportunity to play an active role in promoting change in American education.

Colleges and universities will have to respond to changing conditions and to the need for school improvement; they also must change. Not only must they respond to changes occurring in their external environment, they must be pro-active in leading education into the next century. The colleges and universities need to reaffirm their commitment to the children of our society and to teacher education as a university-wide responsibility and institutional commitment. Furthermore, they need to commit themselves to working in close partnership with schools and other educational agencies to provide quality education to children of the new world.

To address the issues facing teacher education and to be a pro-active force in the reform of education nationally, the Renaissance Group has identified a set of principles for the preparation of teachers. The principles that follow are both *statements* of best practice as currently seen in quality programs for the preparation of teachers and *objectives* to be achieved within colleges and universities that strive for a quality program for the preparation of teachers.

1. **The education of teachers is an all-campus responsibility.**
   A distinguishing characteristic of universities with quality programs for the education of teachers is a university-wide commitment to this effort. With this commitment, teacher education is viewed as a shared responsibility of all units of the university. Although the college, school, or department of education plays a central role in teacher preparation, all faculty members share a responsibility for the preparation of those students who will teach. The university shows its commitment to the importance of teaching by emphasizing quality teaching in all disciplines, by actively working to improve the profession of teaching, and by adequately supporting its program for the preparation of teachers.

2. **Programs for the preparation of teachers thrive in a university culture that values quality teaching.**
Modeling is a powerful influence on the development of a teacher. In addition to being a major determinant in the depth and breadth of the future teacher's knowledge, all faculty must exemplify the skills, attitudes, and perspectives held by quality teachers. This influence is compounded by the inherent relationship between the content taught in a discipline and the pedagogy used to teach it. For example, the teaching scientist has a knowledge and understanding of science and how to conduct scientific investigations. The teaching scientist also has the ability to transform content into something that can be learned by a specific audience, has enthusiasm for science, has the desire to teach science to others, and has an interest in the learner. The powerful influence of these skills, attitudes, and perspectives on the development of teachers is at the core of quality teacher education.

3. **Decisions concerning the education of teachers are the shared responsibility of the university faculty, practitioners, and other related professionals.**
All segments of the education community share responsibility for the preparation of high quality professionals for the nation's schools. Although the college or university plays a key role in this process, decision-making is shared with those who make up the larger education community. Those who practice in the schools are partners in conceptualizing, planning, developing, and delivering teacher education programs.

4. **The initial preparation of teachers is integrated throughout a student's university experience and is not segmented or reserved to the student's final year.**
All aspects of the university experience are seen as integrated components in the preparation of a teacher and the university-at-large has a shared responsibility for the preparation of those students who will teach. Therefore, the integration of the teacher preparation program throughout the student's university experience is considered essential.

5. **The appropriate role of the state is to establish outcome expectations for teacher education graduates; the appropriate role of the university is to determine the curriculum, standards, and internal policies for teacher education programs.**
In too many states, the imposition of excessive regulation of teacher education programs, as well as a failure to recognize the expertise of those actively engaged in the profession, have led to an erosion of confidence in teacher preparation programs and the unnecessary expansion of program requirements. At the same time, in some of those states, individuals with minimal academic credentials and no preparation in pedagogy are being permitted to enter classrooms and are given the title of "teacher." It is the obligation and prerogative of every state to ensure that all beginning teachers have a firm foundation and essential knowledge in pedagogy and are "safe to practice." It is the obligation and prerogative of the teacher education institution to design a professional education program that will achieve that end.

6. **Rigorous learning expectations and exit requirements characterize the program to educate teachers.**
Quality programs for the education of teachers have rigorous learning expectations and exit requirements. Exit requirements take precedence over entry

requirements. Prior to being recommended for admission to the profession, an assessment is conducted of students' mastery of general knowledge, pedagogy, their major field, and pedagogical content knowledge.

7. **The academic preparation of teachers includes a rigorous general education program, in-depth subject matter preparation, and both general and content-specific preparation in teaching methodology.**
Teachers entering the profession must be well prepared in what to teach and how to teach it. The "what" includes an extensive and rigorous program in general education, as well as subject matter that relates specifically to the subjects to be taught in the elementary and secondary school curriculum. The "how" includes general methodology that creates positive learning environments, effective motivation, and conditions that result in good interpersonal relations. It also includes being prepared in methodology that relates to effective teaching of specific subject matter content in the curriculum.

8. **Teacher education programs reflect American diversity and prepare graduates to teach in a pluralistic and multicultural society.**
Quality programs for the education of teachers have a student population that is reflective of the diversity found in American society. This effort to ensure that all segments of American society are represented in the future teaching force reaffirms the American commitment to equal opportunity and to providing appropriate role models for all youth. Preparing students to teach in a pluralistic and multicultural society underscores our commitment to pluralism and the realization that all teachers need to be sensitive to and respectful of cultural differences that are found in a diverse society.

9. **The education of teachers incorporates extensive and sequenced field and clinical experiences.**
Students preparing to teach must be provided with first-hand experiences in settings where teaching and learning take place from the beginning of their college or university experience. Field experiences should result in cumulative knowledge and skills derived from observation and participation in specific settings. Such observation and participation should allow for interaction among the student, the mentor or supervisor, and university faculty members. It is critical that field and clinical experiences occur in settings that reflect the cultural diversity of American society.

10. **Quality teacher preparation programs have faculty who are active in scholarly and professional endeavors.**
Faculty and programs for the preparation of teachers focus their scholarly and professional activities on issues related to effective professional practice. Such a focus will provide faculty with the opportunity to engage in collaborative research with practitioners that will directly affect schools and schooling.

11. **The continuing professional development of teachers and other education personnel is the shared responsibility of the university faculty and other education professionals.**
The education community shares the responsibility for excellence in the professional development of educators. Continuing professional development for educators includes opportunities to remain current and to increase depth in content and pedagogical knowledge; to improve practice; to study issues facing the

profession, and to reflect on personal-professional growth. Shared responsibility for long-range planning among university faculty and school personnel ensures the greatest progress for the profession and for the individual.

12. **Programs to educate teachers for the new world have sufficient support to implement these principles.**
The education of teachers and students for the new world is crucial for the nation's future development and prosperity. Its success will depend in large measure on the active support not only of parents, educators, and elected officials but of the general citizenry as well. This support will take many forms, including a reaffirmation by the education community of the importance of teacher education and additional finances to keep abreast of challenging new social and technological changes. The continued improvement of education is thus a collective responsibility for which there is no effective substitute.

An Action Agenda

Although necessary to achieve a common ground of understanding, a statement of principles, in and of itself, does not carry forward the task of improving teacher education. An action agenda is necessary to achieve this end. Therefore, the Renaissance Group has committed itself to initiate the following activities:

1. Conduct institutes on improving college teaching at all member institutions.
2. Plan and implement a multi-university research agenda.
3. Secure funding for, organize, and host a major conference that addresses critical issues on teachers for the new world.
4. Develop a white paper on the issue of over-regulation of education.
5. Develop a means for exchanging information on campus innovations, advances on teaching techniques, etc., across the Renaissance Group members.
6. Develop strategies for sharing workable models of success in attracting and retaining minorities in the education profession; and,
7. Sponsor a forum on relationships and shared responsibilities with school partners.

Membership in the Renaissance Group and Governance of the Organization

1. The Renaissance Group was conceived and established as a President-Dean organization devoted to strengthening teacher education programs. The Group reaffirms that a requisite condition of membership is Presidential involvement with the expected participation of the Chief Academic Officer and the Dean of Education.
2. The Renaissance Group normally will hold two or three general meetings a year.
3. Staffing and organizational headquarters for the Renaissance Group will be determined by the number of colleges and universities accepted into membership and by the nature and scope of activities.

   The Group should be headquartered on a member campus and with released-time professional staffing and donated support services.
4. The Group anticipates that some level of dues payment eventually will need to be established, but it does not recommend any dues or fee arrangements for the coming year.

Chairman FORD. Thank you. Sister Maureen Fay, before you start, it should be noted that until I met you, I had never met a woman who was president of a Jesuit college. I do not think there has ever been one before you. It has been my privilege in my generation to meet some women who are doing firsts, and you are one of the extraordinary ones.

I wanted Mr. Goodling to note that this is the Title III culmination that caused some confusion in the technical matters.

Mr. GOODLING. I understood that when I started reading her testimony.

Chairman FORD. Sister Maureen Fay is heading up, although it is a new combination, two fine old institutions in our State, formerly University of Detroit and Mercy College, now the University of Detroit/Mercy. I guess they got their name first and Mercy got their president first. Was that part of the deal?

Ms. FAY. No comment.

Chairman FORD. Please proceed.

STATEMENT OF SISTER MAUREEN FAY, PRESIDENT, UNIVERSITY OF DETROIT/MERCY

Ms. FAY. Good morning. It is a delight for me to be here with Congressman Ford and the others in the subcommittee. I am delighted to speak with you. As president of newly-merged University of Detroit/Mercy, without a slash or with a slash, I am particularly pleased to focus on the topic of the non-traditional student.

During this past academic year, actually within the last 3 years, our institution has engaged in an historic, challenging, and exciting process of merging the University of Detroit and Mercy College of Detroit to form a new university, the University of Detroit/Mercy. Our motivation in this process, which took us nearly 3 years, was to strengthen our ability to serve the city and the people of Detroit and people throughout Michigan, minority, white, traditional, non-traditional, young or old, and to do it more effectively and efficiently.

I think you can imagine, this has been an appreciable undertaking, bringing together not just two institutions and missions, but two cultures and two peoples, the Jesuits and the Sisters of Mercy. I am pleased to report to you that the process of that has gone remarkably well. I think we have demonstrated a fairly major innovation in urban independent higher education.

One of the primary missions for the new University of Detroit/Mercy is service to the non-traditional student, in addition to our more traditional students, and that brings us to the topic at hand.

The genre of non-traditional student includes quite a diversity of persons. Our definition of non-traditional student includes older students returning to, or even starting college at a more mature age than the norm; single parents seeking a college degree to support themselves and their dependents; displaced workers returning to college for new professional preparation; working students balancing demands of employment with desire for learning; and first generation college students who are not backed up by a family culture of college. Certainly, many minority students fall within the umbrella of non-traditional students.

Contrary to popular mythology, independent, non-profit colleges and universities are doing a remarkable job of serving non-traditional and minority students. For the 1990–91 academic year, minority students constituted a rather impressive 18.36 percent of the composite student body in Michigan's independent colleges and universities. To the surprise of many, this is the highest percentage among the three sectors of higher education in Michigan.

Minority enrollment in independent colleges is actually comparable to and even exceeds the minority composition of the overall population in Michigan. At our particular institution, the University of Detroit/Mercy, we have a minority population of 32.6 percent; 28.8 percent which are black.

Michigan independent higher education service to minority students has been steadily increasing. During the 6 year period through 1990, minority enrollment to independent colleges actually increased by an astonishing 38.5 percent, compared to an increase of 9.9 percent in our overall enrollments for that period. From 1989 to 1990, minority enrollment in our type of colleges rose by 5.6 percent compared to 1.5 percent increase in white, non-Hispanic students.

As further evidence that independent colleges are effectively serving minority students or non-traditional students, 12.3 percent of Michigan's independent higher education degrees were granted to minority students in 1989. This is again the highest percentage among the State's sectors of higher education.

We believe that independent colleges are effective in serving minority students for several reasons and effective in serving our traditional students for several reasons. Our smaller average size enables us to offer a more personalized approach to higher education, which is critical in serving minority and first generation college students.

Institutions like the University of Detroit/Mercy have been historically committed as a matter of mission to serving the disadvantaged, the underprivileged, and the disenfranchised. We are told that the integration of values at our college resonates with our minority citizens. Our colleges have developed creative programs and committed substantial student financial aid and resources to this that end. At the University of Detroit/Mercy, for instance, we are expending this year $7.4 million in institutionally funded student financial aid, a substantial portion of that going to a minority or non-traditional students.

Non-traditional students require special higher education consideration. Creative scheduling of classes outside the traditional times, weekday, evening, weekend time frames are in demand to acclimate or reacclimate them to the college process. Family considerations must be taken into account. Unique counseling services and tutoring must be tailored to their needs. At the bottom line for non-traditional and minority students, as for all students, effective student financial aid is absolutely essential.

A higher percentage of minority students tend to be financially needy. For instance, during 1988–89, 17.4 percent of Michigan's independent college students were minorities, while 25.8 percent of our sector's aid recipients were minorities. Aggregate unmet needs for these Michigan independent college minority students in 1988–

89 totaled $22.8 million. We project that the unmet need figure for our sector's non-traditional students exceeded $40 million.

For these students, as for traditional students, Federal public policy should foster choice of the college or university, be it public or private, which will best meet the students' unique needs, rather than merely giving them access to the lowest priced institution. We are deeply concerned that the right and ability of our non-traditional students to attend independent colleges and even larger public universities is in jeopardy because of inadequate student financial aid support.

In Michigan, the residents attending a 4 year Michigan independent college this year face, on average, tuition and fees of $7,600 because our tuition must cover approximately 75 percent of the cost of educating students. Despite dramatic increases in institutionally funded student aid, the combined unmet need of the needy undergraduates attending the University of Detroit and Mercy College of Detroit in 1988–89 was $15,525,000 after family contributions and all forms of student aid were taken into account.

Continuation and strengthening of the Federal campus based student program and subsidized student loans certainly are essential for the non-traditional and minority students.

On behalf of all students at the University of Detroit/Mercy, though, I would like to focus on the Pell Grant proposal that has been submitted to the Congress by the various national higher education president's associations. I wish to emphatically endorse that proposal. As you know, it calls for the Pell Grant maximum to be increased to $4,500, the formula for individual awards to be based on a maximum equal to $2,750 for living expenses plus 25 percent of tuition, minus expected family contributions.

This proposal balances equitably the needs and interests of students in the various sectors of higher education. I think that approach will help restore desperately needed grant funds over the full 4 year equivalency of college for needy, low middle-income and middle-income students, an increasing share of whom are non-traditional.

When Congress adopted the Middle Income Student Assistance Act with your leadership in 1978, $25,000 was cited as the family income at which a student should qualify at least for a Pell Grant maximum. If one applies the inflationary rate to that figure over the last dozen years, students with family incomes up to approximately $49,000 should be receiving grants in 1990–91 to maintain assistance for the same relative middle-income category as in 1978.

However, Pell Grants this year were effectively limited to family incomes below $35,000. Students with incomes above $28,000 only received the minimum grant. We encourage your careful consideration of the National Higher Education Association proposal.

Before concluding, I would like to express our appreciation to each of you for your keen concern and strong support for Federal higher education programs, policies and priorities. We are thankful to have leaders like you in Washington. Thank you for this opportunity to address you.

[The prepared statement of Sister Maureen Fay follows:]

STATEMENT

OF

MAUREEN A. FAY, PRESIDENT
UNIVERSITY OF DETROIT MERCY

ON THE

REAUTHORIZATION OF THE HIGHER EDUCATION ACT OF 1965

JUNE 17, 1991

ANN ARBOR, MICHIGAN HEARING

SUBCOMMITTEE ON POSTSECONDARY EDUCATION
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

Good morning Chairman Ford, Congressman Kildee and Congressman Henry. I am Maureen Fay, and I am delighted to speak with the three of you, as Michigan's greatly respected Congressional leaders in higher education policy, about the Higher Education Reauthorization process.

As the President of the newly-merged University of Detroit Mercy, I am particularly pleased to focus on the topic of non-traditional students, as requested. During this past academic year our institution has engaged in an historic, challenging and exciting process of merging the University of Detroit and Mercy College of Detroit together to form a new university, the University of Detroit Mercy. Our motivation in this process was to strengthen our ability to serve the city and people of Detroit and people throughout Michigan, minority and white, traditional and non-traditional, young and old... and to do it more effectively and efficiently. As you can imagine, this has been a very appreciable undertaking, bringing together not just two institutions and missions, but two cultures and peoples, the Jesuits and the Sisters of Mercy. I am pleased to report to you that the process has gone remarkably well. We believe that we have demonstrated a major innovation in urban independent higher education.

One of the primary missions articulated for the new University of Detroit Mercy is service to non-traditional students in addition to our more traditional students, which brings us to the topic at hand.

The genre of "non-traditional student" includes quite a diversity of persons. Our definition of non-traditional students includes older students returning to or even starting college at a more mature age than the norm, single parents seeking a college degree to support themselves and dependents,

displaced workers returning to college for new professional preparation, working students balancing demands of employment with desire for learning, and first generation college students who are not backed up by a family culture of college. And certainly many minority students fall within the umbrella of the non-traditional student.

Contrary to popular mythology, independent, nonprofit colleges and universities are doing a remarkable job of serving non-traditional and minority students. For the 1990-91 academic year, minority students constituted a rather impressive 18.36% (14,580 out of 79,397 students for whom ethnic origin was reported) of the composite student body in Michigan's independent colleges and universities. To the surprise of many, this is the highest such percentage among the three sectors of higher education in Michigan. Black students (numbering 11,461) comprise 14.4% of the Michigan independent higher education student body, again the highest such percentage in Michigan higher education. Minority enrollment in independent colleges is actually comparable to and even exceeds the minority composition of the overall population in Michigan (16.6% in 1990 census). At our particular institution, the University of Detroit Mercy, 28.8% of our students are black and 32.6% are minorities.

Michigan independent higher education's service to minority students has been steadily increasing. During the six-year period through 1990, minority enrollment in independent colleges actually increased by an astounding 38.5%, compared to an increase of 9.9% in our overall enrollments for that period. And from 1989 to 1990, minority enrollment in our type of colleges rose by 5.65% compared to a 1.57% increase in white non-hispanic students.

As further evidence that independent colleges are effectively serving minority students, 12.3% of Michigan independent higher education's degrees were granted to minority students in 1989. This again is the highest percentage among the state's sectors of higher education.

We believe that independent colleges are effective in serving minority students for several reasons. Our smaller average size enables us to offer a more personalized approach to higher education, which is critical in serving minority and first generation college students. Institutions like the University of Detroit Mercy have been historically committed as a matter of mission to serving the disadvantaged, underprivileged and disenfranchised. We are told that .he integration of values at our colleges resonates with our minority citizens. And our colleges have developed creative programs and committed substantial student financial aid resources to this end. At the University of Detroit Mercy, for instance, we are expending this year about $7.4 million in institutionally funded student financial aid, a substantial portion of it going to minority students.

Non-traditional students require special higher education considerations. Creative scheduling of classes outside the traditional 10 a.m. to 4 p.m. weekday time-frame is often necessary to accommodate their work schedules. Preparatory programs to acclimate or re-acclimate them to the college process are very helpful. Family considerations must be taken into account. Unique counseling services and tutoring must be tailored to their needs. And at the bottom line for non-traditional and minority students, as for all students, effective student financial aid is absolutely essential. A higher percentage of minority students tend to be financially needy. For instance, during 1988-89, 17.4% of Michigan's independent college students were minorities

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while 25.8% of our sector's aid recipients were minorities. Aggregate unmet need for these Michigan independent college minority students in 1988-89 totaled $22.8 million. And we project that the unmet need figure for our sector's non-traditional students exceeded $40 million.

For these students as for traditional students, federal public policy should foster "choice" of the college or university, be it public or private, which will best meet the students' unique needs, rather than merely access to the lowest priced institution. We are deeply concerned that the right and ability of non-traditional students to attend independent colleges and even larger public universities is in jeopardy because of inadequate student financial aid support.

In Michigan, the residents attending a four-year Michigan independent college this year faced, on average, tuition and fees of $7,624 because our tuitions must cover approximately 75% of the cost of educating students. Despite dramatic increases in institutionally funded student aid, the combined unmet need of needy undergraduates attending the University of Detroit and Mercy College back in 1988-89 was $15,525,000 (after family contributions and all forms of student aid were taken into account).

Continuation and strengthening of the federal campus-based student aid programs and subsidized student loans certainly are essential for non-traditional and minority students.

On behalf of all students at the University of Detroit Mercy, though, I would like to focus on the Pell Grant proposal that has been submitted to the Congress by the various national higher education presidential associations. I wish to emphatically endorse that proposal. As you know, it calls for 1.) the Pell Grant maximum to be increased to $4500 (with subsequent increases

based on the consumer price index) and 2.) the formula for individual awards to be based on a maximum equal to $2750 for living expenses plus 25% of tuition (not to exceed $1750) minus expected family contributions (with that same ratio of living expenses relative to tuition in future award maximum increases). This proposal balances equitably the needs and interests of students in the various sectors of higher education.

And that approach will help restore desperately needed grant funds over the full four year equivalency of college for needy low-middle-income and middle-income students (an increasing share of whom are non-traditional). When Congress adopted the Middle Income Student Assistance Act with your leadership in 1978, $25,000 was cited as the family income at which a student should qualify at least for a Pell Grant maximum. If one applies the inflationary rate to that figure over the last dozen years, students with family incomes of up to approximately $49,000 should be receiving grants in 1990-91 to maintain assistance for the same relative middle income category as in 1978. However, Pell Grants this year were effectively limited to family incomes below $35,000; and students with incomes above $28,000 only received the minimum grant. We encourage your careful consideration of the national higher education association proposal.

Before concluding, I would like to express our appreciation to each of you for your keen concern and strong support for positive federal higher education programs, policies and priorities. We are so thankful to have leaders like yourselves in Washington.

Thank you for this opportunity to address you. Permit me also to extend to each of you an invitation to visit at your convenience our new University of Detroit Mercy to see the exciting developments taking place there.

Chairman FORD. Thank you very much. Dr. Diekema?

STATEMENT OF ANTHONY J. DIEKEMA, PRESIDENT, CALVIN COLLEGE

Mr. DIEKEMA. Chairman Ford and other subcommittee members, my name is Tony Diekema, and I am pleased to appear before you as the president of Calvin College. It is a particular honor for me because of fine reputations that all of you hold in higher education. We have an annual visit with you in Washington and our boys appreciated the warm welcome you have given us.

Calvin College is an independent liberal arts institution affiliated with Christian Reformed Church, and it enrolls about 4,200 students. We offer our students a comprehensive array of liberal arts programs, in the sciences, in humanities, and in undergraduate professional programs, including teacher education, engineering and nursing.

At Calvin College, as in many of our institutions, we are deeply concerned about the continuing ability of middle income students to afford our colleges. Our middle-income families and students are increasingly caught in a squeeze. They do not have the wealth or liquid assets to be able to shoulder, without help, the 82 percent of educational cost that our tuition of about $7,500 must cover. In fact, they sacrifice to fulfill the expected family contributions which are ascribed to them.

On the other hand, they are losing access to adequate and needed grant assistance, which is increasingly focused on the lowest income students. There is a decline, of course, in campus-based student assistance, as I think all of your are fully aware. For example, during the last decade in constant dollars, the SEOG Program declined by almost 12 percent. The College Work Study Program dropped about a third, some 32 percent; and the Perkins Loan Federal capital appropriations dropped by two-thirds or some 67 percent. Even availability of adequate levels of subsidized student loans is a problem for these students because of the need analysis treatment of assets and the Stafford borrowing limits.

We have done some analysis within our association of the unmet student need. There is compelling evidence which we draw from the studies that are done every 2 years by the Michigan Department of Education in what they call the HR-11 Survey. According to that data, the remaining unmet demonstrated student financial need for Michigan independent colleges and universities is almost $88 million.

The unmet need per needy undergraduate in the State's independent colleges averages about $2,000. That is twice that in community colleges, and it is about four times that in our public universities. To focus on Calvin College for a moment, our unmet need in 1988–89 was over $2 million, and that has increased since that year.

This has, of course, forced us in the independent sector to increase institutionally funded financial aid; and that really translates into tuition increase. We have been forced to raise our tuition increases by roughly 10 percent per year in recent years. Even

while doing that, it has increased the need gap between the need that we can meet and the unmet need of the families.

At Calvin College, specifically in the last decade, we have moved from $300,000 of institutionally-supported financial aid to $3.5 million of institutional financial aid. You might quickly ask how do our families meet that need. The answer, I think, is that they are forced to sacrificially contribute much more than the need analysis asks them to. Students work more hours than they are expected to or that they should. They often rely on other relatives, sometimes working siblings to help them; and of course, families and students borrow heavily and go deeply into debt.

So we are continually concerned that they are reaching almost the absolute limit to which they can be stretched. We are seeing it also as some of our students, while we may be their first choice of institution, are moving off to community colleges and to State universities.

That leads me to what I think is perhaps the hallmark of American higher education, and that is the opportunity for choice. One of the things that I think has made the American higher education system as great as it is, the best in the world, is that option for choice. I think we are quickly losing that opportunity unless we can find additional sources and additional support in financial aid.

In addition to making good economic sense—and I would remind you that the independent colleges of Michigan are saving the Michigan taxpayer about $250 million a year. But it also makes good sense in terms of bringing into the total higher educational system the kind of diversity that brings with it quality, creativity, competitiveness, and the positive human values for our society.

So in summarizing my focus on the middle-income family and student and on preserving choice, let me simply suggest the following for your consideration as you consider the reauthorization bill.

I would suggest a higher priority and a strengthening of the Federal campus-based student aid programs, especially the SEOG Program. The SEOG Program, College Work Study and the Perkins Loan Programs are, in that priority order, essential to our ability to serve needy dependent middle-income students in our collegiate programs. These programs make it possible for students to work, to borrow at reasonably good rates, and to obtain some grant assistance to get through our colleges.

The programs also allow our colleges some needed flexibility to focus the aid where it can be most effectively used and to use it for the changes in student needs that we recognize each year.

Secondly, from our colleges' perspectives, we would urge two programmatic changes in the student loan programs to enhance their effectiveness for the middle-income family. First, eligibility for the loan programs for middle-income students should be expanded by eliminating entirely non-liquid assets. That has been alluded to before. Equity in homes and family farms and family businesses should be removed from the statutory need-analysis formulas; or at least the threshold of such assets should be increased.

Secondly, the Stafford Loan limits should be raised to levels keeping pace with inflationary increases. We think that annual loan limits of about $3,500 for freshmen, $5,000 for undergraduates, and $10,000 for graduates and professional students would go a

long way to help in that regard. We also share your concern for the growing imbalance of loans versus grants, which you have already observed in your subcommittee, and would support a better balance in that regard.

Thirdly, changes are needed in the need analysis to avoid unreasonable expectations and discouragement for middle-income college students. We believe that the current Congressional Methodology, 70 percent assessment of base-year earnings, is too high for dependent students, perhaps penalizing them for their efforts to earn for college. Some exemption of college savings should be built into the need analysis system to tangibly encourage what we have all talked about; that is, family saving for family attendance.

Fourthly, we would also urge you to continue support for the State Student Incentive Grant Program, which provides important funding for Michigan's competitive scholarship program and nationally leverages a significant amount of student aid funding from the States, as well.

Finally, I would also want to endorse what you have also heard previously, the Pell Grant proposal which has been submitted by national higher education presidents' associations. That, too, would help address the concern for the lower middle-income student.

Thank you so much for the opportunity to appear before you and to share these thoughts. I will be happy to respond to questions either now or later.

[The prepared statement of Anthony J. Diekema follows:]

STATEMENT

OF

ANTHONY J. DIEKEMA, PRESIDENT
CALVIN COLLEGE

ON THE

REAUTHORIZATION OF THE HIGHER EDUCATION
ACT OF 1965

JUNE 17, 1991

ANN ARBOR HEARING
SUBCOMMITTEE ON POSTSECONDARY EDUCATION
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

Chairman Ford and subcommittee members, my name is Anthony Diekema and I am pleased to appear before you as the President of Calvin College. This is a particular honor for me because of the fine reputation you as Congressmen enjoy in higher education. I am pleased also to bring greetings to you, Congressman Henry, from your former colleagues on the faculty of Calvin College and your current constituents in Grand Rapids.

Calvin College is an independent college affiliated with the Christian Reformed Church and enrolling 4,260 students during the current year. We offer to our students a comprehensive array of the liberal arts, sciences and undergraduate professional programs, such as teacher education, engineering and nursing.

At Calvin College, as at many other independent and public institutions, we are deeply concerned about the continuing ability of middle income students to afford our college. Our middle income families and students are increasingly caught in a squeeze. They do not have the wealth or liquid assets to be able to shoulder without help the 82% of educational cost that our tuition of $7,350 must cover. In fact, they sacrifice to fulfill the expected family contributions which are ascribed to them. On the other hand, they are losing access to adequate and needed grant assistance which is increasingly focused on the lowest income students (particularly in the case of Pell Grants). Further, campus-based student assistance is not keeping pace with their needs. For instance, between 1981 and 1991, in constant dollars SEOG program funding declined by 11.9 percent, College Work-Study funding dropped by 32.3 percent and

Perkins Loan federal capital appropriations plummeted by 67.5%. And even availability of adequate levels of subsidized student loans is a problem for these students, because of the need analysis treatment of assets and the Stafford borrowing limits.

An analysis of unmet student need may be the best indicator of the growing squeeze for students and families choosing independent colleges. We have extracted some compelling evidence of this from a study conducted every two years by the Michigan Department of Education, called the HR-11 Survey. According to the latest 1988-89 Department study, remaining unmet demonstrated student financial need for students in Michigan independent colleges and universities, after taking into account expected family contributions and all sources of student aid (including subsidized loans), totaled $87,846,000. The unmet need per needy undergraduate in the state's independent colleges averaged $2012 per student. That average unmet need figure among independent college students is double the $1031 average among community college students and nearly four times the $533 average in the public universities.

To "personalize" that analysis to Calvin College, our students' aggregate amount of unmet financial need in 1988-89 was $2,125,000.

In an effort to help fill the growing gap between demonstrated need and available financial aid, our colleges have dramatically increased their institutionally-funded student aid. Our Association projects that Michigan independent institutions this year are expending more than $68 million in their own funding for student aid, substantially more than total Federal financial aid funding to our students. But this can only be done at the price of increasing tuitions. And the unmet need gap continues.

It is a fair question to ask how students and families of limited means are able to attend our colleges with that kind of unmet need staring them in the face. The answer is that families are forced to sacrificially contribute much more than the need analysis system says they should, students work more hours than they are expected, other relatives help out, and families and students borrow heavily. But we are genuinely concerned that those middle income families and students are reaching the absolute limit to which they can be stretched.

We urge you to continue to embrace in Federal public policy the critical concept of choice within our excellent pluralistic higher education system of a diversity of public and independent institutions. Such choice not only makes good economic sense (since independent colleges in Michigan alone save the taxpayers $250 million a year) but also educational sense for our pluralistic society. The diversity of independent institutions contribute immeasurably to the quality, fabric and positive values of our society.

To address the needs of middle income students and to preserve reasonable choice in higher education, permit me to urge the following recommendations for Reauthorization purposes:

1.) Permit me to urge higher priority and a strengthening of the federal campus-based student aid programs, especially the Supplemental Educational Opportunity Grants. Supplemental Educational Opportunity Grants, College Work-Study and Perkins Loans are, in that priority order, essential to our ability to serve needy dependent middle income students in collegiate programs. By way of illustration, 54.9% of the campus-based funding utilized for dependent students in Michigan independent colleges during 1988-89 assisted students from families with

incomes above $24,000. These programs make it possible for students to work, to borrow at good rates and to obtain some grant assistance to get through our colleges. The programs also allow our colleges some needed flexibility to focus the aid to most effectively address student needs and changes in student needs.

We urge increased authorization levels for these programs while retaining their distinct identities and purposes. And we encourage the idea of leveraging additional funds for the campus-based programs by establishing an overall 25% matching requirement for the three programs (currently 10% for Perkins Loans, 15% for SEOG and 30% for Work-Study).

2.) From our college's perspective, we urge two programmatic changes in the student loan programs to enhance their effectiveness for middle income families. First, eligibility for the loan programs for middle income students should be expanded by eliminating entirely non-liquid assets (i.e. equity in a home, family farm or family business), or an increased threshold of such assets from the statutory need analysis formulas. Our students and families experienced a painful drop in eligibility for desperately-needed subsidized loans when the loan eligibility "look-up tables" were discontinued several years back.

Second, Stafford Loan limits should be raised to levels keeping pace with inflationary changes. New annual loan limits of $3,500 for freshmen, $5,000 for other undergraduates and $10,000 for graduates and professional students would help.

We share the concern about the growing imbalance of loans versus grants which has been observed by your Subcommittee. Certainly we support increased grant funding as a major priority for needy middle income as well as low income students. But we also recognize the critical need for subsidized loan programs to help middle income students in college.

3.) Changes are needed in the need analysis to avoid unreasonable expectations and discouragements for middle income college students. We believe that the Congressional Methodology's 70% assessment of base year earnings is too high for dependent students, perhaps penalizing them for their efforts to earn for college. Some exemption of college savings should be built into the need analysis system, to tangibly encourage what we all talk about -- family savings for college.

4.) We urge you to continue support for the State Student Incentive Grant program, which provides important funding for Michigan's Competitive Scholarship program and nationally leverages a significant amount of student aid funding from the states.

5.) Finally, I want to add my endorsement to the Pell Grant proposal submitted to you jointly by the national higher education presidents associations. It too would help to address the concern about adequacy of aid, particularly for lower middle income students.

Thank you for the opportunity to share these thoughts. I would be pleased to attempt to respond to your questions now or in the future.

Chairman FORD. Thank you very much. President David Moore?

STATEMENT OF DAVID G. MOORE, PRESIDENT, MOTT COMMUNITY COLLEGE, FLINT, MICHIGAN

Mr. MOORE. Chairman Ford, members of the committee, I am Dave Moore. I am president of Mott Community College, a 2 year community college located in Flint, serving some 30,000 students in a six-county area. You have my statement, and I am not going to read it to you, but I would like to highlight several issues that we raise in that statement.

Before I begin, let me point out that we generally support the positions that have been provided to you already by the American Association of Community and Junior Colleges. While I will emphasize a couple of those, the fact that I do not emphasize them all does not mean that we do not support them; but I think others have done that.

As you know, half of the Nation's freshmen and sophomores attend public community colleges. In some States, Michigan being one of those, nearly half of all college students also attend public community colleges. The community college plays a unique role in higher education within the education system.

In many communities, mine being one of those, the community college is one of those few places where the Nation's policies, public policy, economic policy, social policy and education policy all come together in the form of a delivered service to the community.

As a result, as a president of a community college, while the reauthorization of the Higher Education Bill is of critical importance to me, I have equal interest in social policy, national social policy, particularly as it deals with human resource development, the training and retraining of America's work force.

I have equal interest in national economic policy, particularly the reindustrialization of this Nation, specifically as it refers to technology transfer and applied research that our businesses and industries in the United States can apply, as I am with the community college's role in the overall education plan; not only its relationship to other higher education institution, but to the K-12 system.

So our remarks deal as much with social policy and economic policy as it does with education policy because of that unique role that we play. Let me touch specifically on a couple of comments made in the paper.

We made a request for help for the working poor. Let me define that in terms of comments that have already been made in terms of assistance for the middle class. Assistance for the middle class, for the most part, is family assistance for those families that have children. Like Congressman Kildee, I also have three children in college. Just as Congressmen are not paid enough to really support that, neither are college presidents. That is certainly a very specific issue that needs to be dealt with.

The other part of that, however, is the working poor, the people who, themselves, need to be educated; not send their children, but they, themselves, need to the education. They are earning enough that they are not eligible for public assistance for education, but

they are not earning enough to pay the tuition to go even to a community college.

So while we are looking at the aspect of assistance for the middle class, I think that specific category of the working poor or the independent student—they are several different definitions one can put on it—must also be kept in consideration.

Dr. Duderstadt talked about the seamless web of educational opportunities. The community college again plays a unique role in the community in helping pull that seamless web together. At our institution, we provide services that range from 4-year-olds to doctorate programs. We run a Head Start Program that begins with 4-year-olds in our day-care facility. We have an Upward Bound federally funded program that serves those in the ninth through eleventh grades. We have a nationally funded NCAA sports program that services 10- through 16-year-olds.

We, ourselves, sponsor a number of summer workshops and camps that deal with middle college and high school students. We are one of six community colleges in the Nation that runs a middle college high school. It is a drop-out prevention program. It is a traditional 4 year high school run by the high school system on our campus. We are in the process of putting together prep schooling that models after the military academies to provide additional support for those people who have completed high school but are not yet ready for college work.

We, of course, have a community college. We also support a university center. We have five participating universities, Eastern being one of those, on our campus that provides bachelor degrees, master's degrees; and through Wayne State, a complete doctorate program on our campus. That, to us, is what we mean by a seamless web. The community can get all of their educational needs in our community without having to leave. For the working person, that is an essential support service.

Under-prepared adult needs is another major concern. They are under prepared because the K–12 system failed them or they failed it. I am not sure who is at fault, but the fact is the majority of the industrial work force that we deal with simply is unprepared for continuing their lifelong learning. Of all those people who present themselves to us—and keep in mind they are thousands more who need the training who do not present themselves to us—30 percent read below the eighth grade level; 80 percent score below the tenth grade level on at least one basic skill.

It is our responsibility to bring those folks up to a collegiate level skill before we put them into collegiate level classes. I am currently spending almost 30 percent of my general fund in developmental and remedial programming to bring these people up to a level that they can start collegial work. I am fighting for that, and I cannot afford to do that, but it must be done. That is the reason we have turned to the middle college, the reason that we are looking at the notion of a prep school, to try to look at the funding from the K–12 system for those students who, for whatever reason, have graduated from high school but do not possess the minimal basic skills to attend college.

I do not know who is at fault, and it does not matter at this point. It is a problem that has to be fixed. Congressman Kildee, you

asked earlier about what could be done at K-12. That is clearly one of those areas that if a person does not have college level skills, the K-12 system needs to go back and do it again, regardless of who is at fault. It needs to be on the community college campus. Once the student has presented himself to us, they will not go back their own high school and do it again. If we try to drive them back, we simply have lost them out of the system.

We talked about urban extension service for community colleges. We think that the community colleges may be poised to be the land grant schools of the 21st century; in this case, not for the agricultural development of the Nation, but for the industrial development of the Nation.

I would like to talk about Flint for just a moment. Flint has many, many problems. It has one of the highest unemployment rates in the Nation. We are well over 20 percent in the city, itself. The whole county will be 20 percent probably before the year is out.

The problems with Flint, while academic, are probably not of great interest to Congress because many of our problems are of our own doing. We have elected not to diversify and we have elected not to bring in other industries, and that is not Congress' problem to solve. But what is unique about Flint, perhaps in Congress' interest, is we may provide a unique test bed. We are one of the few communities that is so totally dependent on the automobile industry, and on American industry in itself, that the problems that we have in Flint and the problems that are developing in Flint are incipient in every industrial community in America, but not to the degree and not as obviously as they are in Flint.

If we can solve the training and reindustrialization problems in Flint, then I think the rest of the Nation can probably look at that test bed as a potential for solving our problems. I focus on Flint because of that, not because Congress should step in and solve Flint's problems, but that perhaps Flint provides to Congress an opportunity to deal with what is a national industrial and economic development problem; and that is, how do we reindustrialize this Nation and how do we retrain a work force if it is no long able to provide a product that the world will buy.

There have been several comments made already about graduate schools and teachers. As a user of those programs, I can tell you unequivocally that our graduate programs are failing this Nation as badly as K-12 system is. I cannot hire a minority English instructor to teach on my campus. We have recruited on every graduate school in this State. There are 240 minorities in graduate English programs in the State of Michigan; and of those, less than a dozen are black. None of those are interested in teaching at the 2 year level.

Until we provide the incentives in our graduate programs to provide professors, not only are American businesses going to suffer, but our higher educational systems are simply going to fail. Along that line, we need additional emphasis put on instructional technology development. Congress needs to find a way to get the Apples and the IBMs and the other corporations of the world actively involved with us in partnership to help extend the service of those

precious few superior faculty that we have, at whatever level it is, to extend their services with technology.

Right now, a computer and a good teacher is what we are looking at for the future, whereas in the past, we were looking for two good teachers. We cannot find them any longer. They are not in the system, and it is going to take a long time for the system to redevelop there. We believe that we have a unique opportunity with the reauthorization of this bill to refocus on what America's needs are. From our perspective, the 2 year perspective, we need help not only in the reauthorization of the education policy, but help in our role in the social and economic policy that we lend to our communities.

Thank you for the opportunity to address you today.

[The prepared statement of David G. Moore follows:]

Testimony

on

The Reauthorization of the Higher Education Act

David G. Moore
President
Mott Community College
Flint, Michigan

Before the

Subcommittee on Postsecondary Education
Committee on Education and Labor
U. S. House of Representatives

~~May 21, 1991~~
June 17, 1991

Mr. Chairman and members of the Subcommittee, I am David Moore, President of Mott Community College, a public two-year community college which serves over 30,000 credit and noncredit students throughout Flint, Genesee County, and surrounding areas.

Mott Community College has been serving its students for over 68 years. During those years we have played a critical role in training the students of "yesterday" as well as those entering the work force of the future-a role which we proudly continue to this day. As the auto industry grew in our early years and evolved into the military machine builder of the forties, it was our college (then known as Flint Junior College) that made certain our graduating students were able to meet the industrial needs of our country.

This scenario can be replayed by many of the other 28 public community colleges of our State of Michigan. For the most current year available, an unduplicated headcount of over 440,000 students chose to attend one of the community colleges in Michigan. It is on behalf of these students and institutions that I am most pleased to appear before you today.

In regards to the reauthorization of the Higher Educaton Act:

THE PELL GRANT SHOULD BECOME AN ENTITLEMENT-at least through the first year-within which we find our students to be in the greatest need-with the least confidence in their ability. Loans at this point are the most vulnerable and the greatest burden on the student. Efforts must be made to restore opportunities for students to secure grants and scholarships rather than relying on loans during the early years of their postsecondary education. Minimum grants should be raised to $2,500 and eligibility should be maintained for less-than-half-time students.

HELP FOR THE "WORKING POOR" IS AN AREA THAT NEEDS TO BE ADDRESSED BY CONGRESS-This is the student that may have some income due to limited employment, but not enough disposable income to allow them to attend college. We may be losing our most valuable source of trainable and motivated technical workers.

STUDENT AID DELIVERY SHOULD BE SIMPLIFIED FOR BOTH STUDENTS AND INSTITUTIONS-We support AACJC-ACCT's position statement that we must streamline the process so that the students we are attempting to reach (which in many cases tend to wait until the last minute) are not excluded from the very programs they need the most. Single page application forms

and a single methodology for the calculation of aid awards should be implemented. Currently many potential students come to the financial aid office when it is too late to process the paperwork, become discouraged, and give up prior to the next enrollment period, resulting in one more loss to our future.

TITLES I, VIII, AND XI SHOULD BE REPLACED BY A NATIONAL NETWORK OF EMPLOYER-COLLEGE PARTNERSHIPS FOR HUMAN RESOURCE AND ECONOMIC DEVELOPMENT-We support AACJC-ACCT's position statement in that the purpose of this combined program is to provide for "relevant skill upgrading for all workers throughout their careers" to increase workplace literacy and to infuse instruction with more state-of-the-art technology. Retraining of our industrial workforce is paramount if we are going to compete in the international marketplace in the future.

IMPROVED ARTICULATION IS NEEDED TO RAISE SHARPLY THE FLOW AND RETENTION OF TRANSFER STUDENTS-particularly ethnic minority students who wish to or could be encouraged to pursue careers in teaching, science and engineering, and public service. The Minority Science Improvement Program (MISIP) and Fund for the Improvement of Postsecondary Education (FIPSE) can be used for this purpose.

We must create a "seamless webb" of educational opportunities to ensure all students (especially in an urban environment) can complete an education. For example at my institution, Mott Community College, we provide programs for students which begin at age 4 and continue through a doctorate degree-without ever leaving our campus.

HEADSTART - Begins with the four year old

UPWARD BOUND - Serves those in grades 9 thru 11

NCAA SPORTS PROGRAM - Serves youths age 10 thru 16

FINE ARTS CAMP - WRITER'S WORKSHOP - and

COMPUTER PROGRAMMING CONTEST - Involves grades 6 thru 12

MIDDLE COLLEGE HIGH SCHOOL - For grades 9 thru 12

PREP SCHOOL - Being developed for those who are out of high school, but not ready for college work

COMMUNITY COLLEGE - Traditional freshman and sophomore programs

UNIVERSITIES CENTER - This is a cooperative with various universities in Michigan that bring to our campus: Bachelor, masters, and doctoral programs which can be completed without the student ever needing to leave Mott Community College

UNDERPREPARED ADULT NEEDS MUST BE CONTINUALLY ADDRESSED-For students in general, 30% read below eighth grade level and 80% score below tenth grade level in at least one basic skill. At my own institution, we find from the entrance tests our students take, that the younger the student the lower they score on our reading placement. This problem will get worse because the younger students are scoring lower. With a reading skills deficiency, students will have greater difficulty in all course areas. This problem is being faced to a greater extent by the younger student; therefore, the problem for the community college will continue to grow in the future. Funding could come partially from better use of existing JTPA monies.

URBAN EXTENSION SERVICE-should be established to create a new partnership of federal and city agencies with urban community colleges to target efforts on urban problems. Community colleges are currently the school of choice for over half the freshman and sophomores that attend higher education each year. What better location for "the land grant institution of the future" to meet the local community needs than the institution that was created by the community for that purpose-YOUR LOCAL COMMUNITY COLLEGE.

INSTITUTIONAL AID-Title III, Part A, floor of $51 million for community colleges should be renewed and the waiting period for renewal should be abolished. Endowment Challenge Grants should be substantially increased and open to all colleges that establish Title III eligibility.

INSTRUCTIONAL TECHNOLOGY DEVELOPMENT-As community colleges reach out to the student in the home, workplace, or wherever the student is in our technologically advanced society, Federal incentives should encourage telecommunications in curriculum development, instructional delivery systems, library and information networks, technology transfer and in-service training. My own institution has implemented a cooperative project which includes two private four-year institutions, secondary schools and the county library system to develop a fiber optic linked system that will allow the library resources of each of us to be available to all of us. This fiber optic network, once completed, will allow us to use televideo transmission without limit due to our uplink and downlink capability.

PROFESSIONAL DEVELOPMENT-Because community colleges serve a large proportion of first time college students, it is important that the faculty are the best they can possibly be. For this reason, it is important that scholarships be authorized for students who pursue teaching careers and grants provided for in-service development of community college faculty, particularly new faculty.

INTERNATIONAL PROGRAMS DEVELOPMENT-Community colleges are playing an ever-increasing role in their local community with businesses and industry in the international arena. Community college faculty should have greater access to study abroad and to area resource centers abroad and international centers at U. S. universities.

ESTABLISHMENT OF THE POSITION OF ASSISTANT SECRETARY FOR ADULT AND COMMUNITY COLLEGE EDUCATION-will enable a better coordinating of programs and insure that monies are being used most efficiently to meet the needs of our students.

THANK YOU.

Chairman FORD. Thank you very much. I do not want to seem ungrateful to our host here, but I have been on this committee long enough to see the public school replace the private schools in my own State in terms of cost. What we are looking at now as an average public school education across the country is what we looked at 10 years ago as an average private school education across the country. We are losing that battle nationally. I recently saw the numbers on this school that indicate that the students here are paying more for tuition than are taxpayers in the State of Michigan to run this institution. And that the combined Federal programs on this campus are more than the total contribution by Michigan taxpayers. I say this for the benefit of all of those taxpayers who like to cheer for the Wolverines and cheer for the Spartans and think of themselves as honorary alumni because they are taxpayers. You are not buying it anymore, Michigan citizen. The Michigan citizens really ought to be asking all of us in politics how we allowed ourselves, at the very time that we have an international reputation for having an extraordinarily good public system, to have the numbers demonstrate that we in Michigan are cheapskates when it comes to paying for it. I guess we can expect that at some stage, they will quit complaining about tuition costs and elect somebody in the State that says he is willing to raise taxes to pay for public education.

I just had to get that off my chest because these numbers, as I listen to you, are absolutely terrible. Dr. Shelton——

Mr. SHELTON. Yes, sir?

Chairman FORD. We talked about Michigan and Michigan State in a little different way than your school. Is it just as bad at that level in the increase in the shift of the cost to the students through tuition?

Mr. SHELTON. Congressman Ford, I believe that this current year or the year we are moving into—I am not absolutely sure, as you know, what is going to happen to the budget in the State of Michigan—our students will be paying in excess of 40 percent of the cost of their education. The national average, I believe, is still around 25 percent or 26 percent that the student picks up in the cost of their education.

The Carnegie Commission, I believe, or a member of the Carnegie Foundation has suggested that 33 percent is an appropriate level in public higher education. But in our State, we do have on the average 38 percent of the cost of education is borne by the student in the State of Michigan, so we are one of the top probably eight States in terms of students bearing the cost of their education.

So it does affect institutions like Eastern, Central, and Western Michigan. We are all in the same category. Anywhere from 36 to 42 percent of the cost of the education is borne by the student.

Chairman FORD. Is that not an important reason why we are losing ground at the State college and university level in Michigan in accommodating the non-traditional student and the minority student? Numerically, we are not doing as well as we were doing 10 years ago.

Mr. SHELTON. I think as we look at the State colleges and universities, we have approximately 260,000 in Michigan's 15 universities;

26,000 are at Eastern Michigan. We have 10 percent of them there. Why are we not seeing a change and a difference? I think there are a lot of things, but I do think the support of the educational opportunity is having an impact on where students go to school and what they are able to accomplish.

That is why I talked about diversity and multiple models of excellence today and what kind of encouragement we can give. We are facing some challenging times in trying to provide educational opportunities, affordable, accessible educational opportunities in this State and in many other States. I certainly read the news and know what other States are having to do, also. But we are on the edge of a major—well, we may be in a major crisis in higher education.

Chairman FORD. Dr. Fay, when we were in Mr. Coleman's district in Missouri, there was a very bright young black man testifying before us who had left school and went into the world of work because he believed, and nobody told him differently, that the only way a young black male could go to college in this country was to be a football or basketball player. He thought that all the black males who were on college campuses were there because they played football and basketball; and since he did not, he did not even bother to apply.

It was only after he had been out in the world of work for a couple of years doing very tough work that somebody gave him a little advice and he found out about something called student aid. When we talked to him, I believe he was just about to graduate as a senior. That struck all of us pretty hard, that we are letting people grow up in this country thinking that any group of people can only get to college with an athletic scholarship.

What would you suggest is the reason why statistically the private schools in Michigan are doing so much better than the public school in increasing participation by minority students?

Ms. FAY. I think there are a number of reasons, Congressman. As I look at our own statistics, 68 percent of our minority students graduate within 5 years. I think that, as a combination of both institutions, is a remarkable statistic. We have been looking at a lot of the reasons for that.

As I said in my comments, I think part of this, of course, would be our small numbers. We are able to give more intimate attention, I suspect you would call it, to the individual student. We are able to diagnose problems earlier because the numbers are smaller. I think there are among our 8,000 students we admit each year 200 or 150 students whom we judge capable but not ready. We spend probably a year or a year and a half with them on various programs, intensive tutoring and personal counseling, academic counseling, skill counseling, to move them from that stage of unreadiness to readiness for a collegiate education.

I suspect also that our institutions—and Dr. Diekema may have something to add to this—also for the most part, at least in this State, religiously based institutions. I think there is a certain sense of mission as we approach and deal with the problems. I know in our own consolidation of University of Detroit/Mercy, I think one of the compelling reasons for our going through this process was

that we wanted to stay in the City of Detroit. We wanted to continue working in the City of Detroit.

It is difficult for all urban areas throughout the Nation, and we are trying to address some of the ills of the urbans through a control system to stay there and to be responsive. We felt by combining our resources we could do it more effectively and also combining with the things that we had done as individuals institutions to address this very problem.

Chairman FORD. Dr. Diekema, let me apologize for calling you Diekema. I practiced law in Detroit before I went to Congress and did business with a firm that was well known in Detroit as Diekema-Gossett. Gossett was a little known lawyer who was general counsel for the Ford Motor Company and later president of the American Bar Association. But it was Detroit lawyers that taught me to pronounce it that way.

We have two privates and two publics. We have been talking amongst ourselves about whether we could do something to promote counseling at an earlier age. And also about the availability, not only of Federal assistance, but other kinds of assistance to get people into our colleges and universities. After a period of time we begin to share the same apprehensions about the fact that a lot of talent out there is falling through the cracks because they do not think that anybody wants to help them.

I know that in my own part of Michigan just surrounding this city, counselors are lucky if they ever get to talk to a kid about going to college. They are usually talking to the kids that are in trouble and not to the kids that are thinking about their education.

Do you think it would be worth our while to try to direct some resources toward some more concentrated counseling at the high school level; or do you think we ought to go there at an even earlier level? Dr. Fay, you pointed out because your schools are smaller, and the schools you are speaking for here today are generally small and church related, you have a more personal contact with the students.

Does that translate into those students learning earlier that somebody is out there willing to help them if they want to go to college? How about your school?

Mr. DIEKEMA. Well, Mr. Congressman, I think that the private independent sector is certainly learning that the bottom line, that is the cost of education for families and students who send students to us, is an extremely complex issue. So we increasingly are sending our financial aid advisors and counselors out into the field and meeting with parents and with counselors to try to give them a better notion of how to arrive at that bottom line. That is very difficult to do without actually going through the process.

But I think the message is beginning to get out there that the sticker price is not the bottom line price and that almost every student has access to some financial aid. The difficulty is having them equipped to make that assessment themselves. I think we can provide a good deal more material about how to do that, but I think we also have to be out there in person, our advisors and our counselors, with parents and with high school counselors.

Chairman FORD. That is an interesting expression you used that the sticker price is not necessarily the real price. A kid growing up

in Michigan who would pay sticker price for an automobile would be foolish. How do we plant in the system the same kind of normal understanding that that is only an asking price?

Someone told me a story yesterday about negotiating a car purchase in the State of Maryland I could not believe. I really now understand our industry is in trouble. You can go out there and offer to finance it with fish if you want to and they will sell it to you. But that is an interesting observation and it is a great contrast. No matter what kind of an economic background they come from, the kids understand the sticker price on an automobile in the showroom or on the lot is not for real; that that is a place to start. But they look at a number with a school, even with a relatively sophisticated family supporting them, and lose interest.

It is beginning to bother me more and more all the time as I hear it that we do not just lose people because they come from a non-supportive background. We lose people because they are facing a system that is not reaching out to them. Maybe that is why TRIO looks so great to some of us as an exception to the general rule. Tom?

Mr. COLEMAN. Well, they use soybeans to barter. I knew we were getting into a thicket here when he mentioned sticker price because I mentioned it once, and I have not mentioned it since. I want to say that here we are in the shadow of that industry; the sticker price on American cars is not shocking, of course. I make that statement for those who might build cars in other places of the world.

Mr. Moore, your statement here—I want to confirm that what you say is true for your institution, or are we talking about the Nation? Students in general; 30 percent read below eighth grade level and 80 percent score below 10th grade level in at least one basic skill. Is that your institution, or all of them?

Mr. MOORE. That is our institution. Those are the initial test scores of those students who apply at Mott Community College, but I do not believe those number are shocking, particularly for urban community colleges, for the bulk of community colleges across the country.

Mr. COLEMAN. You say that you are trying to get your hands on some of that K-12 money. Is it coming from the same source, or do you have different districts? How are you set up in Flint?

Mr. MOORE. We have 21 school districts in our community college district. The prep school that we are trying to put together is a consortium of the adult high schools from those 21 school districts.

Mr. COLEMAN. Adult high schools?

Mr. MOORE. Yes, which would be the logical place for those students to go except they will not go there. So our notion is bring the mountain to Mohammed and bring the adult high schools on our campus to set up and run what we are going to call prep school on our campus. It is an adult high school for all intents and purposes, but it is with a different title and going in a different location.

Mr. COLEMAN. So what I call adult high schools are continuing education? I am not familiar with the term.

Mr. MOORE. Okay. The adult high school, yes, would be continuing education. The adult high school, as is traditionally defined in most communities, are for those people who have not completed

high school within a traditional period of time and return at some later time to complete either a GED or a diploma. Those schools are located in the same place, and I am not doing anything to interfere with those in any way.

We are simply taking the talent and the resources that exist in those adult high schools because they are already attuned and have the skills to work with the older student and bring them on our campus and say okay, you set up shop. We are going to call you something different so it does not look like an adult high school. What those students that work are only spending higher education money on, we want now the K-12 system to start spending its money on.

Mr. COLEMAN. So these are students who are younger?

Mr. MOORE. Not necessarily. The difference is that they have already completed a high school diploma. They have a degree in hand.

Mr. COLEMAN. They have a degree, and it is not serving them well because many of them do not have the basic skills.

Mr. MOORE. Of those 30,000 students that we serve a year, there is a handful of whom do not have a high school GED or a diploma in hand. It is not that we are talking about thousands of students who did not complete high school. Almost all of them did, in fact, complete high school, but their skills levels are simply too low to commence collegiate-level work.

Mr. COLEMAN. Dr. Shelton, do you see this phenomenon on your campus, or are we talking about a whole different type of student body?

Mr. SHELTON. Well, I think we are talking about quite a bit of difference in terms of student bodies between the two.

Mr. COLEMAN. I would end by saying that your plea for diversity, Dr. Diekema's statement about choice, and the fact that the chairman pointed out that things are perhaps turned upside down in this State in that public education may be more costly than private education. This is not true nationally. The statement that the secretary made before us in committee, and when we talked about this phenomenon of high cost of attendance, we said that maybe people ought to go to those publicly supported institutions more because they are being subsidized by the taxpayers.

My comments to him were what you have basically said to us today, and that is that one of the foundations of this act has been choice and diversity. That is certainly not an answer to this question. We cannot, I think, simply assume—and this is an example of why you cannot assume, in at least one State—that by encouraging people into the public sector, we are solving any particular problems. In this particular case, it does not reflect the reality of the situation.

We need this diversity and we need this opportunity for public and private institutions. I guess that is one of the things that is driving some support for the ACE proposal, which everybody has kind of come around to and supported. All of you have mentioned it in one way or another here today, and you reflect pretty well most of the diversification in higher education. Thank you all.

Chairman FORD. Mr. Kildee?

Mr. KILDEE. President Moore, do you generally have open enrollment at Mott Community College?

Mr. MOORE. We are an open-door campus, yes. Any 19-year-old can present himself to us; we have to serve them.

Mr. KILDEE. What percentage of your entering students need remedial courses?

Mr. MOORE. Well, as I put in the statement, 80 percent of those who present themselves to us need some remediation, by our standard, to start their first year of work.

Mr. KILDEE. What percentage of their first year of work generally at the college is remedial in nature?

Mr. MOORE. We are unable to provide all of the remedial course work that is needed. Of that 80 percent who need remedial work before they start collegiate work, we probably are effective in only delivering to about a third of those students. So for those third, most of that so-called first-year experience is going to be remedial or developmental work.

For the remainder of those students, they may pick up one class. Usually in reading is the area that stops them the quickest. But there are a lot of students who simply do not survive, and that is why community colleges have the reputation of not only an open door, but a swinging door, because so many students come to us unprepared. We simply do not have the resources to help other than those that are the worst off in a large, large number of students who are just kind of in there.

With a little more motivation and a little more family support, fewer hours working and better help from their family with the children, they could probably make it. But they do not have that, and they do not make it.

Mr. KILDEE. Mr. Chairman, I think when you include Dr. Duderstadt, we have a fairly good cross-section of Michigan higher education represented here so far this morning. I think your role is very important. I have a young man on my staff who is 41 years old, very young compared to me, a young man on my staff who decided later in life, in his late or middle thirties, to go to college. He never conceived before—he is a minority—that he could go to college, and he entered Mott Community College, where probably was about the only place he could get in.

You were able to provide the services that he needed. He, in turn, transferred to the University of Michigan Flint and got his bachelor's degree and is now working for me and doing a tremendous job. I think that the role of the community college, particularly urban community colleges, is extremely important. While the percentages might look a little dismal at times, they do provide the opportunity for some students who might not get an opportunity at any other place.

I think it is very important that we recognize that open enrollment. I think you probably need more finances to help in that remediation because it is very expensive.

Mr. MOORE. Well, even if we could solve the K–12 problem today, we are still looking at another 12 years before the system starts to correct itself. The work force that we are going to have in the 21st century is here now. That work force simply does not have the basic skills. They do not have the knowledge of lifelong learning in

the skills to be retrained the three, four, or five times that the futurists are telling us they are going to have to do in the future.

The community colleges are simply going to have to do that. At this point, it does not matter who failed or why the failure took place. The fact is those folks are here, and they are showing up at our doors every day by the tens of thousands, and they must be helped. Society cannot wash off these large numbers of people.

In Genesee County alone, we are writing off 35,000 to 40,000 largely able-bodied people in our community and simply saying it is less expensive for us to put them on welfare and to not create a job for them, and those numbers are growing. We just simply cannot afford the travesty of that kind of human resource waste. While it may be worse in urban areas than others, it is my belief in rural areas that it may be as bad. It just is not as obvious because the concentrations are not there, but the numbers probably are.

We just simply cannot continue to write off those numbers of people. We have been approached by two hospitals in Flint to import Korean nurses and retrain them to pass the U.S. nursing exams to provide nurses in Flint; but yet we are looking at more than 20 percent unemployment in Flint and 35,000 people on welfare roles, and we are being approached by the hospitals to bring in foreign nationals because we cannot produce enough nurses to just satisfy Flint hospitals alone. But yet, we serve a six county area.

Mr. KILDEE. You have a nursing program affiliated with one of the hospitals there.

Mr. MOORE. Yes. It is affiliated with all of the hospitals in the area. But again because of the high expense of that program, we can only produce 60 nurses a year. The demand just in the City of Flint alone is almost twice that every year.

Mr. KILDEE. Sister Maureen is noting those figures.

Mr. MOORE. We would love to have Sister Maureen bring one of her——

Mr. KILDEE. You will have a scout in Flint very quickly.

Mr. MOORE. [continuing] to come to our university center and bring a BSN program up there. We would welcome her with open arms.

Mr. KILDEE. Sister Fay, when I was in the State legislature, I remember Fitzgerald's program passed to pay private, non-publicly supported dental schools for each dentist Michigan resident that graduated. Two years later, I extended that to all private law schools for each Michigan resident that graduated. Do you think that we might extend that program to include other professions? Do we need more lawyers or do we need more teachers, for example? We do pay to the State treasury for lawyers and dentists.

Mr. MOORE. Why?

Ms. FAY. I will not comment on attorneys, but let me comment a few moments on what I think are critical areas in terms of the issues of both the non-traditional student, as well as some of our minority students. I select there, I think, education and the critical health care professions as professions we might really examine carefully in terms of how we wish to subsidize because we know, and I can only chorus the responses I have just heard from Dr. Moore, in that we have more jobs in health care.

We have a very heavy concentration in health education, many more jobs than we can provide people for because of the demands and also because of the costs of the programs. We find ourselves increasingly diminishing the numbers of those programs because the faculty situation is such a low one, the costs, the technology, and the time.

Mr. KILDEE. Dr. Shelton, what can we do or what is Eastern doing? You have the reputation of being an institution that has been very involved in teacher education. What can we do to attract more minorities to the teaching profession? What is Eastern doing to do that?

Mr. SHELTON. We have several things. I am pleased to report that I believe we graduate more minority teachers than any school in the State. So we have had some things, and basically it is partnership arrangements with some community colleges, with Wayne State University. We have an urban education program that has some incentives. You were speaking much earlier when President Duderstadt was here concerning what are incentives, and how do we get people in there.

We are doing those kinds of things, but we are very limited even at that. Even though we may be producing the largest number in the State of Michigan, it is still a very small number in the public sector that we are providing for that. So we can do through partnerships. We must improve our relationship between the local school districts and the institutions of higher education. There is no question about it.

I think we must also, somehow in our Nation, acknowledge that the teacher preparation component is vital to every other piece because the people that are trained, that are prepared to teach, are going out and serving elementary and secondary schools. When you talk about alternative certification, it frightens me because I think it is once again saying well, if you get tired of doing something else, then come on and we will figure out some way to certify you as a teacher.

All of you flew out here. I know you have heard the flight attendant before, but I doubt any of you would have remained on the plane if you had been buckling up and they said "Today I am pleased to report to you that we have a mechanic that will be the pilot simply because he did not have a job, but since he knows engines, we are going to certify him in an alternate certification program."

That is my concern about certification of education. Content mastery does not mean effective teaching ability. We must not allow our country to come and say okay, we need more people teaching, so let us just certify him. Certainly there are some good ones. I am an historian by discipline; but at the same time, I think that without the necessary training, you are compromising education.

So that was a little side comment. I feel very strongly about it.

Mr. KILDEE. You answered some other questions here, but I thank you very much.

Chairman FORD. Mr. Goodling?

Mr. GOODLING. I would say to my colleague from Michigan that there are those that would say, as one said to me yesterday, if you get the darn air conditioning out of Washington, DC, we would not

be down there as much and we would not need as many lawyers. That was after I made the sacrifice of singing at his church.

I would merely ask Dr. Moore to add page five Even Start, and then you will not have nearly as many problems in the future. You would apply for a grant working with some local school district, as well as some private sector. We are going to have a lot of new grants coming up. They are talking about giving us $100 million perhaps next year. Hopefully, the next time I come back, you will have Even Start at the head of your list.

In order to save time, I am not going to ask my usual question that I ask college presidents. You can submit in writing if you want to see if your answers are any different than those we have gotten all over the country. But I am always interested in knowing how we get two, three, four, sometimes five times above the inflation rate when we talk about increased costs. If you want to submit anything, I will be happy to read it. Thank you, Mr. Chairman.

Chairman FORD. Thank you. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. Mr. Goodling just took half of my thunder.

Mr. GOODLING. Sorry about that.

Mr. GUNDERSON. No. I am glad.

Chairman FORD. Was it the good half?

Mr. GUNDERSON. The short half.

Mr. COLEMAN. Was this about lawyers? These two lawyers here are getting a little fed up with this talk.

Mr. GUNDERSON. If anybody is wondering, I am not a lawyer.

Chairman FORD. You notice it is the school teachers that are doing all the talking about lawyers. It should be noted by the President that if you think that any profession is unduly represented in the Congress by its numbers, there are just as many teachers here as there are lawyers.

Mr. GUNDERSON. All right, back to what I was saying. I hope everybody in higher education does recognize that without pointing the blame, we all need to deal with the very serious problem of how do we keep pace with the increased costs of higher education. I mean, the fact is student financial aid at the Federal level has increased above and beyond the rate of inflation in recent years, and yet it falling behind in terms of meeting the needs of the student.

In the last reauthorization, we included a directive to the department to do a study of this very issue Mr. Goodling brought up. I think you will find the study was never done. Every time you have asked, the study was never done, and I understand to a certain degree why it was not done.

Let me focus on the other area in which Sister Fay was obviously music to my ears, the non-traditional. I would like to point out to you all, as well, that with the exception of the urban colleges and universities, not one higher education association in America during the last 4 years has gone in front of Carl Pursell's Appropriation Subcommittee and asked for dime one for Title I, which was the program to assist institutions who respond through scheduling and those types of institutional ways to the non-traditional student.

So we all need to recognize if Title I is not going to be used by the higher education community, we are going to have to either

renew Title I or try to address the non-traditional someplace else. The only question that I would have: Generally, the concept has been that we use grants to achieve access to higher education and we use loans to achieve choice.

Sister, you mentioned the Pell Grant proposal in your testimony. I would be curious, either today or in further comments you might want to submit to the record after study, how you feel that proposal will affect the non-traditional student. There is some concern that as you raise the total Pell Grant level, you are going to spend more of that money with the full-time students and that actual part-time, non-traditional student might actually receive less of it. So I would like your thoughts at some point on that.

Ms. FAY. I would like to provide them to you.

Mr. GUNDERSON. That would be great. Thank you.

Chairman FORD. I would like to thank the panel very much. You have given us a good cross section. Dale was right. You do represent a microcosm in Michigan and postsecondary education and have given us some interesting insights.

Just one question for the panel members other than President Moore. Do you accept non-high school graduates as entering freshmen at your school with any kind of a test as a substitute for the certificate?

Ms. FAY. Yes, we do.

Chairman FORD. Do you accept them even if they do not have a GED, or is the GED accepted instead of the high school diploma?

Ms. FAY. We will accept the GED, or the equivalency, or a high school. We make some exceptions, but few.

Chairman FORD. When you make that exception, do you have an ability to benefit test of some kind to determine whether that person is capable of doing work?

Ms. FAY. Yes.

Chairman FORD. Nobody regulates how you decide the ability to benefit, I take it. You could take a lot of people in who were not able to——

Ms. FAY. We could, but we do not.

Chairman FORD. That is the key, I guess. Thank you very much. We now have a panel with Ms. Ryan Arendt, student at Concordia College in Ann Arbor, and Timothy Cone, student at the University of Michigan Dearborn in Dearborn, Michigan. We have to import Michigan students to Ann Arbor. That is interesting.

Your statements will be put in the record immediately following your testimony, and you can proceed in the order in which I called you up here. Ryan, you are first.

Go ahead, Ryan.

STATEMENT OF RYAN ARENDT, STUDENT, CONCORDIA COLLEGE, ANN ARBOR, MICHIGAN

Ms. ARENDT. Good morning, subcommitteemen and Mr. Chairman. My name is Ryan Arendt and I attend Concordia College in Ann Arbor. I am particularly appreciative to Congressman Ford for inviting me to speak at this hearing. At this time, I would like to say it is a special honor to have Mr. Kildee here from my home town area.

First of all, I would like to address what a world of difference financial aid has made in my higher education opportunity. It would be nearly impossible for me to attend college without financial aid from both the Federal Government and the State of Michigan. Not only was I able to attend college; I was able to attend the college of my choice, which is hard for some people to do. They usually have to go to a college which they can afford.

Selecting Concordia was very important for me and my parents. Neither of my parents has a college degree. My dad was never able to attend, and my mom went 2 years to Central Michigan University. For my generation, unlike my parents, it is a necessity to have a college degree for a decent job these days. I chose Concordia because of the excellent programs they have and the higher learning advantages that they offer.

I will be the first person in my family to receive a college degree, which is very important to all of my relatives. Without this college education, I would not be able to better my life. I will have no chance whatsoever.

This fall, I will be a sophomore at Concordia College. During my freshman year, I was able to maintain a 3.58 cumulative grade point average, and I was able to enjoy many of the extra-curricular activities that Concordia offers. I was involved in off-campus ministry, the student senate, students' activity committee, and activities in the business club.

I am currently a business major at Concordia. I plan to receive a degree in academics and then go on to further my education after I have worked a couple of years out in the business field and to get my masters in a related field to my B.A.

One of my long-term goals and dreams is to own my own company or business, preferably a U.S. business that is currently run by the Japanese. I would like to regain some of the business we have lost.

In the meantime, I would like to point out that Concordia is special to me because of the close teaching relationships that a small private college allows students to participate in and the friendships that develop between fellow students.

My mom and dad have made a lot of sacrifices to get me this far. My dad is a maintenance worker at Consumers' Power Company. My mom subs part time for Clio Public School System. Our family lives on a fourth generation family farm which we are trying to preserve; but unfortunately, it does not produce enough income to live on. With this in mind, you can understand why it is difficult for my parents to support me financially in furthering my higher education.

My parents also have two other children at home to support. Family and loan expenses take up most of what income we have to live on. Because of the tightness of our family resources, I am thankful for the opportunity to testify at this hearing for the reauthorization of all Federal student financial aid. At this time, I would like to illustrate from my own financial package and personal experience why student financial aid is so critical to students like me attending Concordia and other independent colleges in Michigan.

Last year the total cost of my education at Concordia College was $12,234. My family's adjusted gross income for purposes of that year's financial aid analysis was $28,774. So you can see that my college cost represented a big chunk of my family's income even though we are a middle-income family.

To help offset the cost of college, I received some State assistance through the Michigan Competitive Scholarship. From the Federal Government, I received a Pell Grant for $1,720 and the Supplemental Educational Opportunity Grant for $3,060. Because of the tightness of funds in my family, I had to borrow $2,000 from the Perkins Loan program and $2,150 from the Stafford Loan Program. Even with the loans totaling $4,150, I still had remaining need.

During the year of my freshman year, I worked for the public relations office at the college for a limited amount of hours at minimum wage. This summer I am also working on campus to save up money for next year's tuition.

It is a privilege to speak today, not just for myself, but for my fellow students at Concordia College and for the thousands of other needy students at Michigan private colleges all over the State. In that role, I would like to urge you to keep alive and healthy all of the Federal student financial aid programs. I would encourage you to expand financial aid opportunities and availability for middle income families.

As inflation and the cost of college continue to rise, I strongly encourage the Congress to strengthen the student financial aid programs to keep pace with the student needs. I would like to see the maximum amounts and the dollar amounts increased in the Federal grants to enable me to continue to attend college.

In addition, opportunities to work and borrow for college remain essential for students like myself. At the same time, I am very concerned that at the rate I have to borrow money this year, I will be in debt a minimum of $16,600 at the end of my 4 years. However, I am determined that I will complete college and I am very grateful for the help that is being provided to me thus far.

In closing, I know without a college degree I will not be able to reach my full potential or to achieve my goals. Without student aid, I simply could not achieve that college degree. For myself and many other students like me, I want to thank you from the bottom of my heart for what you, as Congressional leaders, have done to make college possible for us. Thank you.

[The prepared statement of Ryan Arendt follows:]

STATEMENT OF RYAN ARENDT

STUDENT OF CONCORDIA COLLEGE

REGARDING THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

JUNE 17, 1991

U.S. HOUSE POSTSECONDARY EDUCATION SUBCOMMITTEE

ANN ARBOR, MICHIGAN

My name is Ryan Arendt, I attend Concordia College, and I am particularly appreciative that Congressman William Ford, as Chairman of the House Subcommittee on Postsecondary Education, has invited me to share my story at this Reauthorization Hearing.

First of all I would like to address what a world of difference financial aid has made in my higher education opportunity. It would be nearly impossible for me to attend college without financial aid, from both the federal government and the state of Michigan. Not only did I receive the chance to go to college, but I was able to go to the college of my choice. Selecting Concordia College was very important to me and my parents. My father was never able to attend college and my mother went to Central Michigan University for two years. For my generation, college is a necessity though to get a decent job. I chose Concordia College because of the excellent programs and higher learning advantages that it offers. I will be the first person to receive a degree ever in my family, which will be very

important to all of my relatives. Without this college education I would not have the opportunity to better my life.

This fall I will be a sophomore at Concordia College, after completing my freshman program during this past academic year. My family is very proud of me for being able to pull a 3.58 grade point average. I am currently a business major and am working towards an economics degree, which has been my interest since junior high. I plan to graduate and work for a business or corporation for two years and then go back to school to get my master's degree in a business field related to my BA. In my long term professional goals and dreams, I would like to own my own business, preferably reclaiming a U.S. business that has been taken over by the Japanese.

Meantime, I am really enjoying my college learning experience at Concordia College. I appreciate the close teaching relationships with my professors and friendships with my fellow students. During the past year I also was involved in several extracurricular activities including off-campus ministry, activities with the business club, the student Senate, and the Student Activities Committee.

My mom and dad have made alot of sacrifices to get me this far. My dad is a maintenance worker for Consumer's Power Company and my mom works part-time subbing for secretaries in the Clio public school system. Our family lives on a fourth generation family farm which we are trying to preserve in the family though by itself it does not produce enough income to live on. It is very

difficult for my parents to support me financially in furthering my education. My parents have two other children to support, my two brothers. Family and loan expenses take most of available income that they have to live on. Because of the tightness of our family's resources I am thankful for the opportunity to testify at this hearing regarding the Reauthorization of all federal student financial aid.

Let me illustrate from my own financial aid package and personal experience why student financial aid is so critical to so many students like me attending Concordia College and other Michigan independent colleges.

Last year the total cost of my education at Concordia College was $12,234. My family's adjusted gross income for purposes of that year's financial aid analysis was $28,774. So you can see that my college cost represented a big chunk of my family's income, even though we are a middle income family. To help offset the cost of college, I received some state assistance through the Michigan Competitive Scholarship. From the federal government, I received a Pell Grant for $1,720 and the Supplemental Educational Opportunity Grant for $3,060. Because of the tightness of funds in my family I had to borrow $2,000 from the Perkins Loan program and $2,150 from the Stafford Loan program. Even with the loans totaling $4,150, I still had some remaining need.

During the summer before I started college I worked with my mom and dad on the farm, which helped the family financially, but did not put money in my bank account. During my freshman year of

college I worked in the Public Relations office for limited hours at minimum wage to provide personal living money. This summer I am working on campus to save up money for the next school year. Jobs are at a stand-still at home because I live in a depressed industrial environment, the automotive industry. I am very relieved therefore that I was able to obtain a summer job on campus even though I am not able to be with my family during the summer.

It is a real privilege to speak today not just for myself, but for my fellow students at Concordia College and for the thousands of other needy students at Michigan private colleges all over the state. In that role, I would like to urge you to keep alive and healthy all of the federal student financial aid programs. I would encourage you to expand financial aid opportunities and availability for middle income families.

As inflation and the costs of college continue to rise, I strongly encourage the Congress to strengthen the student financial aid programs to keep pace with students' needs. I would like to see the maximum amounts and the dollar amounts increased in the federal grants to enable me to continue to attend college. In addition, opportunities to work and borrow for college remain essential for students like myself. At the same time, I am very concerned that at the rate I have had to borrow money this year I will be in debt a minimum of $16,000 when I complete four years of college. However, I am determined that I will complete college and I am very grateful for the help that is being provided to me.

In closing, I know without a college degree I will not be able

to reach my full potential or to achieve my goals. Without student aid, I simply could not achieve that college degree. For myself, and many other students like me, I want to thank you from the bottom of my heart for what you as Congressional leaders have done to make college possible for us.

Chairman FORD. Thank you. Timothy?

STATEMENT OF TIMOTHY CONE, STUDENT, UNIVERSITY OF MICHIGAN-DEARBORN, DEARBORN, MICHIGAN

Mr. CONE. First of all, I would like to state that I welcome the opportunity to speak and make some suggestions. I have a brother who will be attending Wayne State University Law School this fall and a sister who will be graduating from high school next year and is looking to attend probably any ivy league school. She is really the stellar performer of our family, and the financial concerns are very intimate and very close to the Cone family. I would like to also say that we are all here in attendance today.

I would also like to say I really applaud the efforts of the Michigan Congressmen and the reauthorization process, especially those of my representative, Paul Henry, and those of the Chairman, Mr. Ford. I believe that he probably is one of, if not the greatest asset to students of postsecondary education in the United States.

Mr. Chairman and members of the committee, on behalf of myself, the Michigan Collegiate Coalition, and the United States Student Association, I would like to thank you for this opportunity to appear before you today and discuss the effects student financial aid has had on my college career.

My name is Timothy Cone. I am presently a student at the University of Michigan at Dearborn, an independent, non-traditional student with zero dependents who is totally self supporting. My permanent home is in Grand Rapids and I am, therefore, a constituent of Paul Henry's district.

My story begins in 1980. As a high school student in Grand Rapids, I decided to apply to the University of Michigan. Without the assistance of a counselor or advisor, I filled out the proper forms and submitted them to the admissions office at U of M. I was accepted and began to attend in the fall of 1980.

My parents, being divorced for over 10 years, had not really planned to fund my education, both expecting the other to commit more than really had been saved. After two semesters, I was $3,000 in debt to the university and unable to continue. A second factor that kept me from continuing was the fact that financial aid programs, such as those we are discussing here today, were really unfamiliar to me. I was not aware that programs for financially needy students existed and, therefore, did not apply.

However, despite my ignorance of the existence of such programs, my perceptions were simply that you really had to be on welfare or virtually a straight A student to receive a scholarship or grant. A possible solution which I support is the promotion of student financial aid programs at a very wide level. Through increased awareness of these programs, targeted populations will become aware of their eligibility and apply for an otherwise nonexistent college aid program for assistance.

Following my year at the University of Michigan, I returned home and began working full time as a dental laboratory technician. After working in the dental field for about a year and a half, I decided to enroll at Grand Rapids Junior College. I attended Grand Rapids Junior College only part time my first semester. I

found that working as a dental lab tech full time made it really very tough for me to attend school as I would like due to time constraints.

Shortly after starting at the junior college, I applied for financial aid and I was awarded a Michigan Competitiveness Scholarship. This grant money, which is partially subsidized by the Federal Government through the State Student Incentive Grant, assisted me in attending Grand Rapids Junior College. I remained there for the next year, completing the majority of my general education requirements.

Unfortunately, because I have been out of high school for over 10 years now, I am ineligible to receive any future aid from the Michigan Competitive Scholarship Program. In my research for this testimony, I came across a statistic that shows by the turn of the century non-traditional students such as myself will comprise over half of the college students in the country.

With the demographics of college changing and becoming more oriented to non-traditional students, it seems that a change in the State Student Incentive Grant to ensure eligibility for non-traditional is in order. Also, restoring Pell Grant eligibility for part-time students would be a major contribution toward making college accessible to non-traditional students.

After leaving junior college, I moved in with an old friend who was running his family business in Detroit. I began working as his assistant on a job-by-job basis, setting up retail store food displays. After about 8 months working and living with him, I had earned enough money to repay my debt at the University of Michigan, allowing me to reenroll.

However, I had not earned enough money to pay the tuition here and began to consider other options at the Dearborn Campus of U of M because it allowed me to maintain my unique living situation and had a lower tuition rate. Another factor was that I applied for financial aid and was again awarded a Michigan Competitive Scholarship.

The next year I was very happy when, in addition to the Michigan Competitive Scholarship, I was awarded a Pell Grant and a sizeable loan. This aid afforded me the opportunity to again attend U of M as a full-time student. However, the loan award was a mixed blessing. It did help me attend college, but the loans were not an ideal alternative to consider.

Before accepting the loan, I carefully considered what long-term costs I would be incurring. I thought about then whether or not to just work and try to pay for college in that way. Part of my consideration was the fact that my personal goal is to enter the environmental field and work in policy analysis related to environmental problems. The starting salary of an environmental policy analyst working for the Environmental Protection Agency this year ranges from $17,000 to $21,000 annually. At this expected starting salary, I was and still am very hesitant to accept a large loan debt, recognizing that I will finish my undergraduate degree with approximately $11,000 of debt and projected payments of $127 a month for 10 years.

After some deliberation, I realized that even with a part-time job, I could not afford to pay for college and all of my living expenses

without the loan. So I decided to accept only a portion of the Stafford Loan. Through this personal experience, I have learned that only through realigning the balance between grants and loans can the problems and difficult decisions that I had to make be alleviated for present and future students.

The third point I would like to stress is that I support the proposals to restore the balance between grants and loans. As a conclusion, I would like to say that the increasing costs of college degrees, which for me include processing fees for applications, as well as the institutional costs, have been almost prohibitive for me. For example, I paid $175 in processing fees on my last GSL, which was for a $3,500 loan.

If accessibility to college education is to increase for needy students, there should be more emphasis on grants rather than loans, better promotion of Federal financial aid programs, elimination of costs for processing loan and applications, Pell Grant eligibility for part-time students, and guidelines that more accurately analyze the actual costs that students incur while in college.

Thank you again for this opportunity to speak with you, and I would be happy to answer any questions you may have.

[The prepared statement of Timothy Cone follows:]

Testimony Presented to the U.S. House of Representatives Committee on Education and Labor Subcommittee on Postsecondary Education on Reauthorization of the Higher Education Act

May 31, 1991

Timothy Cone
University of Michigan--Dearborn Student
Michigan Collegiate Coalition
United States Student Association

Mr. Chairman and members of the committee. On behalf of the Michigan Collegiate Coalition I would like to thank you for this opportunity to appear before you today to discuss the affects student financial aid has had on my college career. My name is Timothy Cone, I am presently a student at the University of Michigan--Dearborn, an independent, non-traditional student with zero dependents who is totally self supporting. My permanent home is in Grand Rapids and I am therefore a constituent from Representative Henry's district.

My story begins in 1980. As a high school student in Grand Rapids, I decided to apply to the University of Michigan. Without the assistance of a counselor or advisor, I filled out the proper forms and submitted them to the admissions office at U of M. I was accepted and began to attend in the fall of 1980.

My parents, being divorced for over ten years, had not properly planned to fund my education, both expecting the other to commit more than had been actually saved. After two semesters, I was $3,000 in debt to the university and unable to pay tuition. This situation was the result of several factors which kept me from continuing.

First, the parental support that I expected to receive did not come through. After my first semester at U of M, the money ran out and both of my parents were struggling themselves to maintain financial stability. Second, financial aid programs, such as those being discussed today, were unfamiliar to me. I was not aware that programs for financially needy students existed and, therefore, did not apply. However, despite my ignorance of the existence of such programs, my perceptions were simply that you had to be on welfare or a straight A student to receive a scholarship or grant. A possible solution, which I support, is the promotion of financial aid for higher education. Through increased awareness of these programs, targeted populations will become aware of their eligibility and apply for an otherwise nonexistent college aid program for assistance.

Having a strong desire to continue school, but no money to pay the debt I ha. already incurred, I returned home to Grand Rapids. At this point I began working full-.me as a dental laboratory technician. After working in the dental field for a year and half, I decided to enroll at Grand Rapids Junior College (GRJC). I attended GRJC only part time my first semester. I found that working as a dental lab tech full-time made it very tough for me attend school as I would like due to time constraints.

At this time, my mother, with whom I had had very little communication since my junior year in high school, informed me that there were financial aid programs available for needy students and that I probably would qualify. I was awarded a Michigan Competitive Scholarship (MSC). This grant money, which is partially subsidized by the Federal Government through the State Student Incentive Grant (SSIG), assisted me in attending Grand Rapids Junior College (GRJC). Ten and one half percent of the MSC is funded by SSIG.

This enabled me to attend the next semester as a full-time student while I supported myself as a self-employed painter. I continued as a full-time student at GRJC and a part-time painter for another full year completing the majority of my general education requirements. This brings me to the first point I would like to stress: the financial aid programs now in place are working. They are far from perfect, but without financial aid, I could not afford to attend college. The second significant point is that it is not enough to know that student aid programs exist; general guidelines as to whom may be eligible for financial aid needs to be better publicized.

Unfortunately, because I have been out of high school for over 10 years now I am ineligible to receive any future aid from the MSC program. In my research for this testimony, I came across a statistic that shows by the turn of the century non-traditional students, such as myself, will comprise over half of the college students in the country. With the demographics of college changing and becoming more oriented to non-traditional students it seems that a change in the SSIG to ensure eligibility for non-traditional students is in order. Also, restoring Pell Grant eligibility for part-time students would be a major contribution toward making college accessible to non-traditional students.

In 1986, I left GRJC to seek full-time employment and begin repaying my debt to the University of Michigan so that I could re-enroll there and earn a degree from the school that I felt would best educate and prepare me for a professional career. I left Grand Rapids and moved in with an old friend who had recently been given the responsibility of running his family's business in the Detroit area. I began working as his assistant, working on a job by job basis, setting up retail store food displays in the suburban Detroit area. After about 8 months, I did earn enough money to repay U of M although I had no means of supporting myself in Ann Arbor if, in fact, I did enroll there again. This led me to consider enrolling at the Dearborn campus of U of M. Without the opportunities offered by the living situation I was fortunate enough to establish, I would not be attending the college of my choice today.

Several factors led me to finally enroll at the U of M--Dearborn campus. First, the friend I lived with offered me a flexible job that enabled me to work when I wanted as well as providing extremely inexpensive room and board. Second, I was within 12 miles of school and had a bus system networking between my house and campus. Another factor was that I applied for financial aid and was awarded $500 per term from the MSC. I was denied any other financial aid. During this period I was forced to work a number of hours each week to make ends meet, and my grades definitely suffered as a result. I was very happy the next term when I was awarded a full compliment of financial aid which included grants and loans. Without this aid I am certain that I could not have succeeded as a full-time student and would have had trouble successfully addressing the responsibilities of even part-time status considering the upper level classes I needed to take.

The loan award was a mixed blessing. It did help me attend college; however, the loans were not an ideal alternative to consider. Before accepting the loan award, I carefully considered what long term costs I could be incurring and thought about whether or not to just work and try to pay for college that way. This had proven difficult at GRJC and was certainly going to be at least as tough at U of M considering its competitive academic level. Accordingly, I made the decision not to attend U of M unless I could support myself without neglecting the responsibilities of school in order to live. I needed to create an environment which did not coerce me to make a choice between studying and eating.

Part of my consideration was the fact that my personal goal is to enter the environmental field and work in policy analysis related to environmental problems. The starting salary of a environmental policy analyst working for the Environmental Protection Agency this year ranges from $17,000 to $21,000. At this expected starting salary I was, and still am, very hesitant to accept a large loan debt, recognizing that I will finish my undergraduate degree with approximately $11,000 of debt and projected monthly payments of $127 for ten years.

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However, after some deliberation I realized that even with a part-time job I could not afford to pay for college and all my living expenses without the loan, so I decided to accept only a portion of the Stafford loan. One way to alleviate this problem is to increase money going toward grants rather than loans. Therefore, the third point I would like to stress is that I support the proposals to restore the balance between grants and loans.

As a conclusion I would like to say that the increasing costs of a college degree, from tuition & fees to processing fees for applications have been almost prohibitive for me. For example, I paid $175 in processing fees on my last SLS which was for $3,500. If accessibility to college education is to increase for needy students there should be more emphasis on grants rather than loans, better promotion of federal financial aid programs, elimination of costs for processing loans and applications, providing Pell Grant eligibility for part-time students, and guidelines that more accurately analyze the actual costs that students incur while in college.

Thank you again for this opportunity to speak to you.

Chairman FORD. Thank you. Ryan, members of this committee, particularly Congressman Coleman, who when he wears another hat, is the ranking Republican on the House Agriculture Committee. He is our real farm expert, and the one at the far end is our dairy expert, and the one next to him is our apple orchard expert. So you have a lot of agricultural background here. Dale Kildee said he had a victory garden during World War II.

Do you have any idea of how the school and the State officer considered the value of your family's farm when you were applying for aid and what impact that had on the amount of aid you were able to get?

Ms. ARENDT. No, I do not, but I could send that report to you.

Chairman FORD. Were you aware that they reduced your aid by a factor because your family had the farm?

Ms. ARENDT. No.

Chairman FORD. Do you have brothers and sisters?

Ms. ARENDT. Yes, I have two brothers and one sister.

Chairman FORD. You are the oldest?

Ms. ARENDT. I am the third child.

Chairman FORD. You are going to be the first one to graduate from college.

Ms. ARENDT. Yes.

Chairman FORD. Would borrowing money against the family farm be a practical way for your family to assist either you or your siblings to go to college?

Ms. ARENDT. I would say it——

Chairman FORD. I am not questioning whether they are willing to do it, but would it be a possible way? Could they borrow money and afford to pay it back against that farm?

Ms. ARENDT. I would say they would not be able to do that because of the fact that there are already large sums out on our farm.

Chairman FORD. They already have it mortgaged.

Ms. ARENDT. Yes.

Chairman FORD. Would you object if we anonymously ask your student aid officer how much you got nicked because of that family farm? I think Mr. Coleman is on to something and I would like to help him. We would like to take that out of the equation because we do not think it makes any sense at all to expect that your family could get an additional mortgage to help you, if they have other kids in the family, too.

Maybe the staff can talk to you after we finish the hearing today. We would like to get some specifics because we hear these things but do not frequently get a chance to see how it really impacts on real America. Thank you very much. Mr. Coleman?

Mr. COLEMAN. I thank both of you for your testimony. I really do not have any questions but I would like to say that the tenacity, Mr. Cone, with which you have pursued your higher education is really something. Spread over a number of years, working, and getting here and getting there. I was interested to know how you could go through a public high school in this State and apply to what is considered one of the Nation's top schools without any intervention by a counselor or a professionals at your high school.

You filled out the forms yourself and were not apprised of any information regarding student aid.

Is that just circumstance with you? Did you fall through a crack or did you think you knew all the answers and did not need the advice? What happened there?

Mr. CONE. Well, obviously, I was not an adult and I cannot really speak for all the other students. But I do know that I did not fall through the cracks. In my high school, your counselors would talk to you when you were doing poorly and only when you were doing poorly. They would say are you interested in going to school; that sounds good to me; go for it.

Mr. COLEMAN. Listen. Let me tell you, I am somebody who only talked to his counselor once that I can recall in my high school career. I think he told me what my scores were on the SAT, period. That is it. Now, at least my youngsters have three or four counselors divided up in the school by alphabet. You get to know these people quite well.

My sense of it is that you have had a bad experience, perhaps, an unfortunate experience because I think counseling has really become counseling. They were like the truant officer in some schools. You know, if you had trouble, the counselor would take care of it. They dealt with that discipline matter or would tell you your test scores. Hopefully, most counselors in this country are not of the variety that you experienced.

But the fact that you have been able to do this on your own probably makes it even more meaningful now. You have an education outside the classroom that was very interesting, I am sure.

Ms. Arendt, I think it is very, very commendable of you, not being the oldest child in your family, to pursue higher education. As someone who reached college after several others had gone through, I think that is even more meaningful. I wish both of you good luck. Thank you.

Chairman FORD. Mr. Kildee?

Mr. KILDEE. Thank you, Mr. Chairman. I think counseling is spotty throughout the country. I think counselors, themselves, are apparently very good; but very often they are very, very overburdened. In some school districts they can do more than scheduling. So it is fortunate when you do have a good counseling system. Very often they are overburdened, and I have always tried to increase some of our interest in that area of counseling.

I appreciate your testimony. You really are the customers of education. You are the consumers. We should be consumer oriented. You know, my son, Paul, is probably just about your age. He finished his freshman year at Michigan State University. I have one here at U of M, also. I have always tried to keep him tuned into reality. You know, Washington can be an island of unreality surrounded by reality at times.

He was 4 years old when I was elected to the Congress, and I thought really I had him tuned in because I would bring him back here. I live in the same neighborhood and sleep in the same bedroom I slept in since 1935. I thought he had seen that there is a certain need and sometimes harshness out there. He used to work at Christ House in Alexandria, Virginia, the poorest part of Alexandria, Virginia, so he could see poverty.

But he called me at the beginning of the second semester at Michigan State. My son was really shaken. His roommate had to drop out of college because his parents just could not come up with the money. He dropped out a few days after the semester started because his parents were going to try to see if they could get the money somehow.

But they finally called him and said he had to come home. It was really a tragedy. I met his roommate a number of times when I was running my care packages and my money, down to East Lansing regularly. He was really a very, very talented young man. I do not know what will happen to him now. His talent may be lost, not only for his own needs, his own development, but for society. And that is really tragic.

I talk to people like yourself and I am morally convinced that we have to really do more to help those who have a need and help this country. I am convinced that the money we spend for education should be at a different budget or a capital investment budget because the return we get on that investment as a society is enormous. We need to reflect that.

That young man from West Virginia was paying out of State tuition that was very, very high, but he wanted to go to Michigan State because that is the program he really wanted to be in. I think it was astro physics. He had to drop out. I am going to get ahold of Nick Joe Rahall because Nick Joe wants to see whether he can find some program for him.

But we, as a Congress, really have to put our priorities together. Sitting here with a group of people, this is a non-partisan concern, not just bi-partisan. We are here with people who are deeply concerned with education, but we need the information that people like you bring to us, and I thank you very much.

Chairman FORD. Thank you. Mr. Goodling?

Mr. GOODLING. Now that the lawyer got on counselors, having been a former counselor——

Mr. KILDEE. It was not anything personal, Bill.

Chairman FORD. I want you people to watch these Republicans fighting with each other.

Mr. GOODLING. May I say that by the time I was finished listening to a young man killing his stepfather at least three mornings a week in the guidance office and tried to help another with an impossible home situation, and the next how we were going to get shoes on their feet and food in their stomachs, there really was not too much time left in a 12 or 14 hour day.

The most effective part of that kind of counseling, of course, is to be a listener. I never said anything to the young man who killed his stepfather three times a week in my office; but every time he left, he thanked me. You always have to get counselors to understand that listening is probably the best thing. Had you had a listener and you had gone in and indicated what your problems are, they would have helped you to solve your problems. But I was glad you said that now they are not as overworked and there are more of them. We can do the job.

I do not have any questions. I just want to compliment both of you, not only for coming to testify, because it is your testimony that may help us more than many others who come to testify be-

cause you are there. You are the people who either receive or do not receive, and may get an education or may not. But I was extremely impressed, as my colleague said with your tenacity. I have a feeling you will both be extremely successful, and I thank you for coming to testify on behalf of other students.

Chairman FORD. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. I also simply want to say thank you to both of you. You are the heart and sole and the emotion in these hearings that gives us the real incentive. Once we deal with the boring but necessary details of the programs, it is wonderful to see the human side.

Tim, it is of no consolation to you, but our family experienced the same problem with counseling that you did, so it is not a unique experience, unfortunately.

VOICE. Bring Goodling back in here.

Mr. GUNDERSON. You notice I waited until Mr. Goodling left before I said that. With that, thank you both. Thank you, Mr. Chairman.

Mr. KILDEE. Thank you and thank the witnesses. We appreciate your testimony this morning. Thank you very much. Our next panel will consist of Mr. Andrew G. Vignone, President, Michigan Organization of Private Vocational Schools, Detroit, Michigan; Mr. Courtney McAnuff, Dean of Admissions and Financial Aid, Eastern Michigan University, Ypsilanti, Michigan; Mr. Harvey P. Grotrian, Director of Financial Aid, University of Michigan, Ann Arbor, Michigan; and Dr. Sue Smock, Dean, College of Urban, Labor and Metropolitan Affairs, Wayne State University, Detroit, Michigan.

If I mispronounced any of your names, I apologize. Mr. Vignone?

STATEMENT OF ANDREW G. VIGNONE, PRESIDENT, MICHIGAN ORGANIZATION OF PRIVATE VOCATIONAL SCHOOLS, DETROIT, MICHIGAN

Mr. VIGNONE. Thank you. I would like to express my appreciation to the subcommittee for the opportunity to testify this morning. My name is Andrew Vignone. I am president of the Michigan Organization of Private Vocational Schools, which is a voluntary association of private occupational schools serving Michigan citizens. I am also the director of Michigan Career Institute in Detroit.

Private occupational schools have been providing career education in Michigan since 1850, when Detroit Business Institute was founded. Currently, there are approximately 237 schools licensed by the Michigan Department of Education, teaching trades ranging from automotive mechanics to data entry, from medical assisting to court reporting, and numerous others.

These institutions are organized for the most part as profit making, tax paying institutions, although several are nonprofit. They do not have open admissions policies, but as they are mainly situated in urban areas, they do enroll a disproportionate number of minority and low-income students. These students do not receive any student financial aid from the State of Michigan, but many at accredited schools do receive Federal financial aid through Title IV of the Higher Education Act.

In 1988, there were an estimated 45,000 students in attendance. These numbers do not include barber, cosmetology, and truck driving schools, which are licensed by other agencies. Many of the larger schools, in addition to being licensed, are accredited by one or more national accrediting bodies recognized by the U.S. Department of Education.

Private career schools typically offer non-degree programs of instructions of up to 2 years in length. They are closely tied to the industry for which they are training and place heavy emphasis on job placement assistance for their graduates. Teachers are typically drawn from the industry, as are many of the owners and management personnel.

As several recent studies attest, some kind of postsecondary training short of a degree will be necessary for the majority of new jobs created between now and the year 2000. Thus, private career schools can be a vehicle for those of the forgotten half who have chosen not to pursue a college degree and who may not have completed high school. The private career school student in Michigan is typically nearly 30 years of age, minority, female, with dependents.

A vast majority work while attending school, which is usually located close to their homes. They are students who require, in many cases, a high level of support services to maintain the level of attendance needed to learn a trade.

As an organization of many of these schools, MOPVS has striven to encourage professionalism and a high ethical level in its members since its founding in 1963. Particularly in the years since 1980, however, there have been substantial challenges for our industry. The explosive growth of our educational sector in the early eighties was, unfortunately, accompanied by a major decrease in Federal regulation of student financial aid programs, no increase in staffing for the Michigan Department of Education, and the appearance of some schools with lower standards than any of us would find acceptable.

Now, MOPVS recommended several years ago that an advisory board be established to assist the Michigan Department of Education in its monitoring of schools. We have also supported the addition of positions in the Michigan Department of Education and would support these to some extent with increased licensing fees.

In the years 1987 to 1990, MOPVS member schools assisted in teaching out nearly 1,000 students whose schools had closed. We are all convinced that we did the right thing in assisting these students. I am also convinced that the situations that caused these schools to close should have been avoided.

Now, MOPVS will never defend an institution which does not serve its students. We will not knowingly admit such a school as a member, but it is better to prevent problems than try to solve them after lives and careers have been damaged. To accomplish this, our organization and the Michigan Department of Education are currently cooperating on a new regulatory bill proposed in the State House of Representatives. This would improve staffing in the department, fund teachouts, and generally create better consumer protection for students and applicants of all private career schools.

Accrediting bodies have also assumed a higher profile and have denied renewal of accreditation to several Michigan schools in recent years. The Michigan Guaranty Agency is one of the finest in the country and is truly committed to loan access for all Michigan students. What are we asking then from reauthorization?

First, Congress must encourage the U.S. Department of Education to become more effective. More frequent and thorough program reviews would have been a great help in the last several years and were conspicuous by their absence. The department must also provide significantly more training and technical assistance to financial aid administrators.

Secondly, students should receive a greater proportion of their financial aid in the form of grants, not the first time you are hearing that this morning. Excessive reliance on student loans has led to burdensome student indebtedness and unacceptably high default rates.

Thirdly, students who do have to borrow to fund their educational costs should have ready access to lenders. This may mean increasing incentives to lenders to service high risk students. Middle-income students are also harmed when lenders discriminate on the basis of sector. This must cease.

Fourthly, more effective regulation of guarantors and servicers is necessary, and schools must have access to information necessary to conduct an effective default management program. Some national guarantors have been extremely uncooperative to the point of hostility, with both schools and student borrowers. Clearly, this must be remedied.

Fifth, reauthorization needs to provide incentives for a State to extend aid to all its citizens. Currently, a State such as Michigan places the entire burden of student assistance on the Federal Government and schools when it gives no aid to students in non-degree programs.

Thank you for your time and attention. I will be happy to answer any questions you may have.

[The prepared statement of Andrew G. Vignone follows:]

mopvs MICHIGAN ORGANIZATION OF PRIVATE VOCATIONAL SCHOOLS

115 STATE STREET
DETROIT, MICHIGAN 48226

Testimony of Andrew Vignone
President of the Michigan Organization of
Private Vocational Schools
before the
Committee on Education and Labor -
Subcommittee on Postsecondary Education
May 31, 1991

Good morning, ladies and gentlemen. My name is Andrew Vignone, President of the Michigan Organization of Private Vocational Schools, a voluntary association of private occupational schools serving Michigan citizens. I am also the Director of Michigan Career Institute in Detroit.

Private occupational schools have been providing career education in Michigan since 1850, when Detroit Business Institute was founded. Currently, there are approximately 137 schools licensed by the Michigan Dept. of Education, teaching trades ranging from automotive mechanics to data entry, from medical assisting to court reporting, and numerous others. These institutions are organized for the most part as profitmaking, tax paying institutions, although several are nonprofit. They do not have open admissions policies, but as they are mainly situated in urban areas, they do enroll a disproportionate number of minority and low income students. These students do not receive any student financial aid from the state of Michigan, but many at accredited schools do receive Federal

Financial Aid through Title IV of the Higher Education Act. In 1980, there were an estimated 45,000 students in attendance. These numbers do not include barber, cosmetology, and truck driving schools, which are licensed by other agencies. Many of the larger schools, in addition to being licensed, are accredited by one or more national accrediting bodies recognized by the U.S. Dept of Education.

Private career schools typically offer non-degree programs of instruction of up to two years in length. They are closely tied to the industry for which they are training and place heavy emphasis on job placement assistance for their graduates. Teachers are typically drawn from the industry, as are many of the owners and management personnel.

As several recent studies attest, some kind of post-secondary training short of a degree will be necessary for the majority of new jobs created between now and the year 2000. Thus, private career schools can be a vehicle for those of the "Forgotten Half" who have chosen not to pursue a college degree, and who may not have completed high school. The private career school student in Michigan is typically nearly 30 years of age, minority, female, with dependents. A vast majority work while attending school, which is usually located close to their homes. They are students who require, in many cases, a high level of support services to maintain the level of attendance needed to learn a trade.

As an organization of many of these schools, MOFVS has striven to encourage professionalism and a high ethical level in its members since its founding in 1963. Particularly in the years since 1980, however, there have been substantial challenges for our industry. The explosive growth of our educational sector in the early '80's was unfortunately accompanied by a major decrease in Federal regulation of student Financial Aid programs, no increase in staffing for the Michigan Dept. of Education, and the appearance of some schools with lower standards than any of us would find acceptable. MOPVS recommended several years ago that an advisory board be established to assist the Dept. of Education in its monitoring of schools. We have also supported the addition of positions in the Dept. of Education and would support these, to some extent, with increased licensing fees. In the years 1987-1990, MOPVS member schools assisted in teaching out nearly 1,000 students whose schools had closed. I am convinced that we did the right thing in assisting these students. I am also convinced that the situations that caused these schools to close should have been avoided.

MOPVS will never defend an institution which does not serve its students. We will never knowingly admit such a school as a member. But it is far better to prevent problems than try to solve them after lives and careers have been damaged. To accomplish this, our organization and the Michigan Dept. of Education are currently cooperating on a new regulatory bill proposed in the state House of Representatives. This would improve staffing in the

Department, fund teachouts and generally create better consumer protection for students and applicants of all private career schools. Accrediting bodies have also assumed a higher profile and have denied renewal of accreditation to several Michigan schools in recent years. The Michigan Guaranty Agency is one of the finest in the country and is truly committed to loan access for all Michigan students. What is needed, then, from Reauthorization?

First, Congress must encourage the U.S. Dept. of Education to become more effective. More frequent and thorough program reviews would have been a great help in the last several years and were conspicuous by their absence. The Department must also provide significantly more training and technical assistance to Financial Aid administrators.

Second, students should receive a greater proportion of their Financial Aid in the form of grants. Excessive reliance on student loans has led to burdensome student indebtedness and unacceptably high default rates.

Third, students who do have to borrow to fund their educational costs should have ready access to lenders. This may mean increasing incentives to lenders to service high risk students. Middle income students are also harmed when lenders discriminate on the basis of sector. This must cease.

Fourth, more effective regulation of guarantors and servicers is necessary, and schools must have access to information necessary to conduct an effective default

reduction program. Some national guarantors have been extremely uncooperative to the point of hostility, with both schools and student borrowers. Clearly, this must be remedied.

Fifth, Reauthorization needs to provide incentives for a state to extend aid to all its citizens. Currently, a state such as Michigan places the entire burden of student assistance on the Federal government and schools when it gives no aid to students in non-degree programs.

Thank you for your time and attention. I will be happy to answer any questions you may have.

Michigan
Skills 2000

Education Today for Tomorrow's Jobs

BACKGROUND PAPER ON SKILLS 2000

WHAT IS SKILLS 2000?

Skills 2000 is a statewide coalition comprised of private career school students and graduates, the employers who hire them, educators, representatives from social service, non-profit and community-based organizations and state and local elected officials. Members of Skills 2000 are concerned about the future of our nation's postsecondary educational system and its abilit' to prepare today's generation for tomorrow's workforce. They recognize the value of private career education and are willing to voice that support publicly.

WHAT IS THE OBJECTIVE OF SKILLS 2000?

Skills 2000 is committed to raising public and congressional awareness of the positive impact of private career colleges and schools in your state. The goal of the coalition is to insure that private career school students maintain access to postsecondary educational opportunities. To accomplish that goal, Skills 2000 coalitions nationwide are inviting their representatives in Congress and other business and community leaders to visit private career schools in their area and establish dialogue on critical education issues.

WHAT DO SKILLS 2000 COALITION MEMBERS STAND FOR?

Skills 2000 coalition members believe that preserving access for anyone who wants to better him or herself by obtaining marketable job skills through a private career education is a common sense approach. Restricting access or choice by eliminating postsecondary educational options is a bad alternative that neither students nor the businesses and industries who employ them can afford.

This year, Congress will reauthorize the Higher Education Act of 1965. Title IV of that act funds the federal student financial aid programs. Without financial aid, many disadvantaged students, the "forgotten half" of our nation's secondary educational system who do not go on to college, would simply fall through the cracks. And the businesses and industries who hire private career school graduates, representing some of the fastest growing occupational areas, would face critical shortages of skilled workers.

1225 E Big Beaver Rd. Suite 101 Troy, MI 48083 (313) 524-1800

THE IMPACT OF PRIVATE VOCATIONAL SCHOOLS ON MICHIGAN'S ECONOMY

Prepared for:

Michigan Organization of Private Schools (MOPVS)

Not to be released without joint permission of
Market Opinion Research
and
Michigan Organization of Private Schools (MOPVS)

July, 1988
G88-15

EXECUTIVE SUMMARY: THE IMPACT OF PRIVATE VOCATIONAL SCHOOLS ON MICHIGAN'S ECONOMY

A. Introduction: Research Purpose

Data here comes from a survey of private vocational schools licensed by the Michigan Department of Education.[1] The survey was conducted for the Michigan Organization of Private Schools (MOPVS) by Market Opinion Research in the spring of 1988 to demonstrate the economic impact of proprietary vocational schools on the Michigan economy. This is a first effort for MOPVS to gather aggregate institutional data. Periodic surveys in the future will build on this baseline research.

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[1]Schools licensed by the Department of Education do not include beauty/barber/cosmetology schools licensed by the Department of Licensing and Regulation or truck driver training schools registered with the Secretary of State. conservative. Impacts of private vocational schools on Michigan's economy may actually be greater than those shown here.

B. Direct Economic Impact of Michigan Private Vocational Schools

1. *Expenditures*

Michigan private vocational schools had expenditures which went directly into the state's economy in fiscal 1987 of:

- $ 62,000,000 for personnel
- $ 58,000,000 for all other expenditures
- $120,000,000 total

2. *Employment*

Michigan private vocational schools provided direct employment in fiscal 1987 to 3,900 instructional and non-instructional staff:

- 1,484 instructional full-time
- 1,152 instructional part-time
- 658 non-instructional full-time
- 593 non-instructional part-time
- 3,015 full-time equivalent jobs (non-student jobs)

3. *On the Student*

The average cost of a vocational program for tuition, books and fees was $3,600 for fiscal 1987. Average placement salary was $11,700. Assuming these students had only minimum wage scale employment potential prior to entering ($6,760 per year full-time), the cost of a vocational education can be offset in the first year or two of employment.

C. Total Economic Impact: Direct Plus Indirect Effects

The impact of the expenditure of $120 million dollars and the provision of 3,000 full-time equivalent jobs to nearly 4,000 individuals has both direct and indirect effects. Demand from private vocational schools for goods and services generates jobs in other parts of the private sector. Employees of Michigan's private vocational schools spend for food, housing, necessities and luxuries.

Total direct and indirect impact is computed by use of an input-output model of the California economy [2] which has been used in a study of New York proprietary vocational schools[3]. Impact is determined by multiplying expenditures and employment by econometric weights for sales, personal income and employment (see full report for details). Use of this model shows combined direct and indirect economic impacts of private vocational schools on the state's economy are these:

- $413,500,000 sales generated in the private sector
- $147,600,000 personal income generated in Michigan
- 5,900 full-time equivalent jobs created in the private secto in schools, suppliers and elsewhere (not student jobs)

D. Impact on Taxes and Cost Savings in State Aid to Education

Because most (87%) private vocational schools are proprietary, tax paying institutions, an estimated 13% of non-personnel expenditures, or $7,600,000, was paid to federal, state and local governments in fiscal 1987.

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[2]Department of Water Resources, Measuring Economic Impact: The Application of Input/Output Analysis to California Water Resource Problems Bulletin 210, March 1980.

[3]Moore, Richard M., Training Research Corporations, Private Training and Public Goals: A Study of New York Proprietary Schools, September 1986.

The 45,500 students enrolled in private vocational schools would fill 2-3 community colleges of 15,000-22,500 enrollment if their educations were not provided in the private sector. Thus the State of Michigan saves the state aid which would go towards supporting additional or enlarged institutions.

Private vocational schools are tax-saving, not tax-spending. They are institutions which blend education and entrepreneurial free enterprise.

E. Social Impact of Private Vocational Schools

At a time when many institutions of higher education in Michigan are having difficulty achieving their minority enrollment goals, Michigan's private vocational schools in 1986-87 had a combined student body made up 35% of blacks (blacks are 13% of Michigan's population) and 2% of Hispanic (approximately equal to population proportions). Michigan private schools are providing post-high school, job-oriented training to persons who might not enroll in public colleges and universities.

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F. Students in Michigan Private Vocational Schools

In 1986-87 Michigan private vocational schools had

- 45,600 who enrolled
- 22,600 (50%) who completed programs
- 15,000 (65% of completions) placed by their schools or known by their schools as placed in jobs. Others obtained jobs on their own. Placement is a service offered to students and employers by private vocational schools.

The difference in enrollment and completion figures is accounted for primarily by those continuing in school in multi-term, multi-year programs.

Private vocational students were enrolled in 1986-87 in programs:

- 24% in business administration
- 21% in business and management
- 14% in allied health
- 9% in engineering
- 7% in mechanics and repairers
- 25% in all other programs

Demographics of students are:

- 64.5% female
- 35.5% male
- 62.1% whites
- 34.7% blacks
- 2.3% Hispanics
- 0.9% Other minorities

Michigan's private vocational schools attract proportionally more minorities as students than the proportion of minorities in the state's population (blacks are 13% of Michigan residents). Many schools are unable to separate their completions/graduations by race and sex. Those schools which can do so report completion proportions for blacks equal to their enrollment proportions.

G. Research Methodology

A questionnaire was mailed to 280 private vocational schools licensed by the State of Michigan Department of Education in March 1988, with follow-up to non-responding schools in April.

Data reported here is based on the return of MOPVS questionnaires by 67 schools (24%) and return of Integrated Proprietary School Data (IPED) forms to the Michigan Department of Education reporting fall 1986 enrollment by 155 schools (54%). Results are projected to statewide estimates for academic year 1986-87 (fiscal 1987) using three assumptions:

- Enrollments reported by the 54% of schools who submitted IPED forms to the Michigan Department of Education (DOE) represent 85% of enrollment. (Review of returned IPED forms shows most large schools reported.)
- Enrollments reported for fiscal 1986 and fiscal 1987 in the MOPVS survey can be averaged and projected to 1986-87 enrollment by a weighting factor treating the fall 1986 DOE IPED figure as 85% of all enrollment.
- The same weighting factor can be used to project expenditure and employment data as these have a high correlation with enrollment.

The DOE IPED form was not designed to procure information with which to demonstrate the impact of private vocational schools on Michigan's economy. The MOPVS questionnaire was designed to do this.

Mr. KILDEE. Thank you. Mr. McAnuff?

STATEMENT OF COURTNEY McANUFF, DEAN OF ADMISSIONS AND FINANCIAL AID, EASTERN MICHIGAN UNIVERSITY, YPSILANTI, MICHIGAN

Mr. MCANUFF. Good afternoon. My name is Courtney McAnuff. I am the assistant vice-president of marketing and student affairs at Eastern Michigan University. My responsibilities at the university include oversight for the areas of admissions, student financial aid and minority services. I am currently on the board of directors of the National Association of Student Financial Aid Administrators and chair the Financial Aid Committee for the American Association of Collegiate Registrars and Admissions Officers.

I appreciate this opportunity to appear before you today to discuss what I feel should be an additional focus for reauthorization, the urgent need to reduce the minority dropout rate in high school and to increase the minority participation in higher education. These problems, of course, are a significant part of a larger crisis in our Nation's educational system.

Projections, you all know, indicate that as we approach the year 2000, the American work force will grow slowly, becoming more disadvantaged. At the same time, the new jobs, primarily in service industries, will demand higher skill levels than the jobs of today. Very few jobs will be created for those who cannot read, follow directions, and use mathematics. This will lead inevitably to more joblessness among the least skilled and least educated.

The recommendation of the Hudson Institute Workforce 2000 report indicates that if the United States is to continue to prosper into the 21st century, policy makers must find a way to integrate black, Hispanic, and Native American workers fully into the economy. Both cultural changes and education and training investments will be needed to create real employment opportunities.

Without action by our Congress, government, business, and our educational systems will suffer dramatic problems which will negatively impact our way of life as never before. As it exists today, the Nation's educational system is failing to respond adequately to this cancer growing on the extremities of our society, particularly in the area of educating black, Hispanic, and Native American students from urban areas where the forces undermining educational initiatives are the strongest.

In the Detroit school system and in most urban school systems, the dropout rate in high school exceeds 50 percent. Even in the relatively affluent districts such as Ann Arbor, the black male is in crisis with an average GPA in math and science below 2.0. Can we, as a Nation, afford to have one-half of our minority youth uneducated in light of projections that two out of every three individuals will be minority in the work place by the year 2000?

Our challenge, through reauthorization, lies in ensuring that black, Hispanic, and Native American students develop the skills, knowledge, and attitudes necessary to be productive employees and citizens. And even more fundamental, we need to ensure that the minority and the economically disadvantaged students learn and

develop the wish to learn. That is, indeed, the challenge if another generation of minority youth is not to be lost.

It is not good enough to make funds available for college if an entire segment of our society has virtually no chance of taking advantage of these Federal opportunities and programs which have made America great. The egalitarian concept of educational opportunities has kept the United States in the forefront of the world's educational systems. We cannot afford to lose this now.

We are not talking about enormous sums of money in relative terms. We know that it costs almost $30,000 annually to maintain a Federal prisoner. We also know that over 80 percent of the convicts never finished high school. Would it then not make sense to place some relatively minor funding at the front end of the educational process in order to reduce this dropout rate?

At Eastern Michigan University, we have responded to this challenge with our nationally recognized equity programs. Now unparalleled as a prototype for other programs nationally, we begin by focusing our efforts and resources on minority students of African American, Hispanic, and Native American descent. We give them the opportunity to learn, grow, and achieve.

The equity programs are built on the conviction that minorities and disadvantaged youth can succeed if they have role models and if they are actively supported by parents, teachers and the higher education institutions. We believe that if we can instill in their early years the idea of attending college, minority children will be more likely to aspire to greater vision for themselves and their communities; and we have committed our resources to several programs which work with teens and preteens living in urban areas.

This is not a new idea. Sir John Lubbock, in 1887, stated the important thing is not so much that every child should be taught, but every child should have the wish to learn. Higher education also has a great interest in this issue. We must be in a position to recruit, enroll and graduate minority students at least in equal number to the population percentage in the local market area.

Reauthorization should and must focus on programs which go beyond the excellent programs such as Upward Bound. Higher educational institutions and K-12 school districts should be funded as partners to promote middle school and high school persistence and graduation. Students must meet the requirements of a college preparatory curriculum, standardized test scores, grade point average achievement, and attendance.

The higher education institutions must provide a live-in academic summer experience, as well as follow up and support throughout the school year. The students should be identified for the programs no later than the end of the sixth grade. Students must be given the opportunity to learn, to grow and achieve. Quality education is the key element to develop a new work force for the future.

We no longer, as a Nation, can pay high wages to people with low skills. We will have to make a choice as a Nation whether we want to import labor to the United States, as Mott Community was approached, and ignore the minority youth and poor youth or invest in the 13 million American children who are currently living in poverty?

One of the goals of reauthorization should be to create and sustain programs that enhance the potential of poor and minority students and inspire in them the wish to learn. We know such programs work. We believe that such programs have the capacity to redress the problems and temper its devastation, bringing renewal and hope to those most in need; and in doing so, these programs will bring hope to our Nation.

Another goal of reauthorization should be to simplify the delivery of the financial aid to needy students. The current system has become so complex that families are increasingly paying for assistance to complete forms. Other families are so intimidated and discouraged by the complexity of the forms that they do not complete the applications. These families and their students make educational choices solely on costs.

The goal of financial aid is for access and choice, and this goal is in jeopardy. We urge serious consideration for the simplification of the application process. Further, we believe continued discussions on the merits of a direct loan program will be beneficial to reaching the goal of simplification. Our thirty-sixth President of the United States, Lyndon Johnson, best summed up the situation by saying, "At the desk where I sit, I have learned one great truth. The answer to all our national problems comes to a single word, and that word is education."

Thank you.

[The prepared statement of Courtney McAnuff follows:]

Statement
Of

COURTNEY O. McANUFF
ASSISTANT VICE PRESIDENT

EASTERN MICHIGAN UNIVERSITY

On The

REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Before The

COMMITTEE ON EDUCATION AND LABOR

UNITED STATES HOUSE OF REPRESENTATIVES

May 31, 1991

Courtney McAnuff, Assistant Vice President
University Marketing and Student Affairs
Eastern Michigan University

CONGRESSIONAL TESTIMONY: May 31, 1991

Chairman Ford, and honorable members of Congress, Good Morning. My name is Courtney McAnuff. I am the Assistant Vice President for Marketing and Student Affairs at Eastern Michigan University. My responsibilities at the University include oversight for the areas of admissions, student financial aid and minority services. I currently am on the Board of Directors of the National Association of Student Financial Aid Administrators (NASFAA) and chair the Financial Aid Committee for the American Association of Collegiate Registrars and Admissions Officers (AACRAO).

I appreciate this opportunity to appear before you today to discuss what I feel should be an additional focus for re-authorization - the urgent need to reduce the minority dropout rate in high school and to increase minority participation in higher education. These problems, of course, are a significant part of a larger crisis in our nation's educational system.

Projections you all know indicate that as we approach the year 2000, the American work force will grow slowly, becoming more disadvantaged. At the same time, the new jobs, primarily in service industries, will demand higher skill levels than the jobs of today. Very few jobs will be created for those who cannot read, follow directions, and use mathematics. This will lead inevitably to more joblessness among the least skilled and least educated. The recommendation of the Hudson Institute's Workforce 2000 report

indicates that "if the United States is to continue to prosper into the 21st Century, policy makers must find a way to integrate Black, Hispanic, and Native American workers fully into the economy... Both cultural changes and education and training investments will be needed to create real employment opportunities." Without action by our Congress; government, business and our educational systems will suffer dramatic problems which will negatively impact our way of life as never before.

As it exists today, the nation's educational system is failing to respond adequately to this cancer growing on the extremities of our society, particularly in the area of educating Black, Hispanic and Native American students from urban areas where the forces undermining educational initiatives are strongest. In the Detroit School System, and most urban school systems, the drop-out rate in high schools is approaching or exceeding 50%. Even in the relatively affluent districts such as nearby Ann Arbor, the black male is in crisis with an average GPA in math and science below 2.0.

Can we, as a nation, afford to have 1/2 of our minority youth uneducated in light of projections that 2 out of every 3 individuals will be minority in the work place by the year 2000?

Our challenge, through re-authorization, lies in ensuring that Black, Hispanic and Native American students develop the skills, knowledge, and attitudes necessary to be productive employees and citizens. And, even more fundamental, we need to ensure that minority and economically disadvantaged students develop "the wish to learn". That is indeed the challenge if another generation of

minority youth is not to be lost.

It is not good enough to make funds available for college if an entire segment of our society has virtually no chance of taking advantage of the federal opportunities and programs which make America great. The egalitarian concept of educational opportunities has kept the United States in the forefront of the world's educational systems. We cannot afford to lose this now.

We are not talking about enormous sums of money in relative terms. We know that it costs almost $30,000 annually to maintain a federal prisoner. We also know that over 80% of the convicts never finished high school. Would it then not make sense to place some relatively minor funding at the front end of the educational process in order to reduce the dropout rate?

At Eastern Michigan University, we have responded to this challenge with our nationally recognized Equity Programs. Now unparalleled as a prototype for other programs nationally, we begin by focusing our efforts and resources on minority students of African American, Hispanic and Native American descent. We give them the opportunity to learn, grow and achieve. These Equity Programs are built on the conviction that minorities and disadvantaged youth can succeed if they have role models and if, they are actively supported by parents, teachers and institutions. We believe that if we can instill in their early years the idea of attending college, minority children will be much more likely to aspire to a greater vision for themselves and their communities. And, we have committed our resources to several programs which work with teens and pre-teens living in urban areas. This is not a new

idea. Sir John Lubbock in 1887 stated: "The important thing is not so much that every child should be taught, as that every child should be given the wish to learn."

Higher education also has a great interest in this issue. We must be in a position to recruit, enroll and graduate minority students at least equal in number to the population percentage in the local area.

Re-authorization should focus funding on programs which go beyond excellent programs such as Upward Bound. Higher educational institutions and K-12 school districts should be funded as partners to promote middle school and high school persistence and graduation. Students must meet the requirements of a college preparatory curriculum, standardized test scores, grade point average achievements, and attendance. The higher education institutions should provide a live in academic summer experience as well as follow-up and support throughout the school year. The students should be identified for the program no later than the end of sixth grade. Students must be given the opportunity to learn, to grow and to achieve.

Quality education is the key element to develop a new work force for the future. We no longer as a nation can pay high wages to people with low skills. We will have to make a choice as a nation whether we want to import labor to the United States and ignore minority or poor youth or invest in the thirteen million American children who are living in poverty.

One of the goals of re-authorization should be to create and sustain programs that enhance the potential of poor and minority

students and inspire in them "the wish to learn." We know such programs work. We believe that such programs have the capacity to redress the problem and temper its devastation, bringing renewal and hope to those most in need. And, in doing so, these programs bring hope to our nation.

Our 38th President of the United States, Lyndon B. Johnson, best summed up the situation by saying, "At the desk where I sit, I have learned one great truth, the answer to all our national problems comes to a single word. That word is education."

Thank You.

Mr. KILDEE. Thank you, Mr. McAnuff. I thought I was the only one who used that quote. It is an excellent quote and I am glad to hear someone else using it. Very good. Mr. Grotrian?

STATEMENT OF HARVEY P. GROTRIAN, DIRECTOR OF FINANCIAL AID, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICHIGAN

Mr. GROTRIAN. Congressman Kildee and members of the subcommittee, I am the director of financial aid at the University of Michigan Ann Arbor. I am here also as national chairman-elect of the National Association of Student Financial Aid Administrators (NASFAA), our Nation's largest postsecondary education association, with over 3,300 member institutions.

I appreciate this opportunity to appear before you today in our home State to discuss several components of NASFAA's higher education reauthorization proposals, especially if they relate to students on my campus. The issues I wish to address today are student financial aid planning and information, the application process, and financial aid eligibility and funding.

In the speech which Chairman Ford made last January, he said that the guiding principle to follow in reauthorizing the Higher Education Act would be enhancing postsecondary educational opportunities for Americans. He indicated the success of our efforts to expand educational opportunity "must be measured in terms of their effectiveness in meeting that objective."

We enthusiastically support that statement, the goal of providing educational opportunities according to academic ability and inclination, rather than financial means. How effectively are the entire array of Federal student assistance programs meeting the needs of students is the question before us.

At the University of Michigan, about two out of five undergraduate students, or about 9,000 students, receive some type of financial assistance to attend the university. Roughly two-thirds of these students receive support through grant, loan, and/or work programs authorized by Title IV.

Admission decisions are made without regard to the financial position of the student and his or her family. Some come from low-income backgrounds and require considerable financial assistance to be able to enroll at Michigan. Others come from families with modest income and assets, but still require some financial assistance. Still others receive little or no financial aid, but seek out alternative financing to solve cash flow problems.

Planning and information: The roles of parents and students in financing education has never been more uncertain. Uncertainty gives rise to anxiety that financing will not be available. Anxiety levels are kept high by the news of Federal aid program cuts, real or implied; the general absence of sound advice regarding educational financing in our Nation's high schools and middle schools; upward spiraling costs of a postsecondary education; and the unacceptable fraud and abuse by a few which dogs the Federal programs.

Add to this the incremental loss of eligibility over the last decade of Federal student loan assistance like students from middle-income backgrounds and for those who remain eligible for Federal

programs, the increasing reliance on loans rather than Federal grants, and the disappointment and frustration and anger are understandable.

The NASFAA has promoted dialogue among various parties and organizations for the purposes of sharing ideas on what works and what does not work in the provision of financial aid information to students in their early high school and middle school years. Collectively, however, no plan exists to help students and their parents plan for meeting future educational costs.

This is an issue that desperately needs Federal leadership and intervention, not only to improve the potential postsecondary student's knowledge of aid availability, but also to help these young people make the correct choices to stay off drugs, to stay in school, and to study so that they are academically prepared for the future postsecondary education opportunities that will exist when they receive their high school diploma.

The application process: The process by which a student applies for and receives Federal student financial aid for education or training beyond high school has become increasingly complex. Even if the student and his or her parents complete the various forms correctly and there are no problems, the application process takes 4 to 8 weeks, sometimes longer.

This is an excessively long time to wait. Can you imagine the frustration for a student who has a problem develop in the application process which causes further delays, sometimes doubling the length of time?

The NASFAA has offered a need analysis plan for reform which proposes one method for determining eligibility for all types of Federal funds, replacing the existing two methods, and outlines steps to simplify the application process for many students. NASFAA's witness, Natala Hart, recently discussed the plan for reform before the subcommittee, and I encourage you to review her testimony.

Financial aid eligibility and funding: Despite the equity and fairness which characterizes much, but not all, of the Pell and Congressional Methodologies used in measuring family financial strength, we encounter many, many instances where the results of the computation are met with disbelief. Frequently, disbelief turns to anger as we attempt to explain ineligibility for Federal student aid which, of course, includes ineligibility for a Stafford loan.

Permit me to provide three examples. Student A lives in Detroit. He is one of five children. His father is a blue-collar worker using his skilled trade as a mechanic at a local business. His mother is not employed outside of the home. During the past year, both he and his brother were enrolled at in-State public institutions.

When he entered the university 4 years ago, he received the maximum Pell Grant of $2,100. In relation to our total estimated student budget for that year, his Pell Grant covered 27 percent. For this past year, his senior year, his Pell Grant award was $2,300, again the maximum amount. This award covered 23 percent of his budget. This decrease in the percentage covered by the maximum Pell Grant is one reason that NASFAA has recommended increasing the maximum Pell Grant to $4,400 in an award year 1992–93; and for every subsequent fiscal year, the award would be in-

creased by the higher of $200 or the rise in the consumer price index times the previous year's maximum grant.

Further, to insure that students actually receive these higher maximum grants and are not subject to reductions of awards, we recommend the Pell Grant Program be converted to a true entitlement status.

Student B was born and grew up in Ann Arbor. The total family income for 1990 was about $24,000. As an entering first-year student, both the student and her parents were dismayed to learn that the contribution expected from her parents under the current congressional methodology from an income of $24,000 was $3,100. Approximately $700 was estimated to be available from current income, the remaining $2,400 from the family's home value. Purchased in 1969 for $28,000, the modest three-bedroom frame house now has a market value of $135,000.

Not only are the student's parents reluctant to assume additional indebtedness in the form of a home equity loan, since they are close to retirement, but their modest income is barely sufficient to cover current living expenses. Under the treatment of home equity proposed by NASFAA, the home equity portion of the expected parental support would decrease from $2,397 to $359.

Student C lives out of State. He is the third of three children and has been accepted to the university. His family's income is $68,000. He is the third child to pursue postsecondary education. This has severely reduced the family's savings. The equity which the family has in their home is about $63,000. The amount of financial supported expected from his parents from an income of $68,000 is $18,800. This has made him ineligible for all Federal student aid. As with Student B, home equity and alternative parental loan information was sent to them by my office.

Despite the university offering a unique academic program which meets this student's long-term career interests, the lack of student aid, including loan assistance, has convinced the student and his parents that it is financially possible for him to attend the University of Michigan. NASFAA's reauthorization proposal to increase the PLUS annual loan limits from $4,000 to $20,000 would have helped this family.

In each of these examples, NASFAA's recommendations for change in Title IV would have greatly assisted these families; in one case, give additional help to pay for an education; but in the other two cases, make it possible to attend the university.

In summary, the present system of student aid satisfies almost no one. This is because it is really a variety of complicated systems attempting to serve many interests and, unfortunately, sometimes the interests of students are served last.

The administrative responsibilities which those of us on the campus must assume in order to meet or try to meet the expectations of students, their families, institutional leaders, the many funding sources, including the Federal Government, are overwhelming. I sense great willingness on the part of campus aid administrators to make the system work and to work well. There is, however, a growing inability to provide satisfactory levels of service to all who seek our advice, counsel, and direct financial support.

We urge you and your colleagues to consider every possibility to make the system simpler, more stable, and more obviously fair. Reauthorization of Title IV of the Higher Education Act of 1965 provides an opportunity to build a better system. The current system works more by accident and by the commitment of institutions than by design because the process, for all its qualities, is flawed. It is financial aid administrators who are making the system work.

At the same time, these administrators are frustrated by program inconsistencies, burdened by regulations, and know that Federal student aid funding levels could be higher if only there was the political will and leadership. The system is not allowing us to reach our goals of providing financial aid to students effectively. NASFAA looks forward to working with the subcommittee to ensure that the goals we share are achieved.

I would be pleased to answer any questions you might have, and thank you for the opportunity to testify.

[The prepared statement of Harvey P. Grotrian follows:]

Statement
of
Harvey P. Grotrian

Director of Financial Aid
University of Michigan

and

National Chairman-Elect
National Association of Student Financial Aid Administrators
(NASFAA)

on

Reauthorization of the Higher Education Act of 1965

Before the

Subcommittee on Postsecondary Education
United States House of Representatives

Field Hearing
Ann Arbor, Michigan
May 31, 1991

Chairman Ford and Members of the Subcommittee, my name is Harvey Grotrian. I am the Director of Financial Aid at the University of Michigan - Ann Arbor campus. I am here also as National Chairman-Elect of the National Association of Student Financial Aid Administrators (NASFAA), our nation's largest postsecondary education association with over 3,300 members. I appreciate this opportunity to appear before you today, in our home state, to discuss several components of NASFAA's higher education Reauthorization proposals, especially as they relate to students on my campus. The issues I wish to address today are student financial aid planning and information, the application process, and financial aid eligibility and funding.

Mr. Chairman. Last January, in your speech at the annual meeting of the Coalition of Higher Education Assistance Organizations (COHEAO), you said that the guiding principle to follow in reauthorizing the Higher Education Act, specifically Title IV, will be enhancing postsecondary educational opportunities for Americans. You indicated the success of our efforts to expand educational opportunity "must be measured in terms of their effectiveness in meeting that objective."

We enthusiastically share with you the goal of providing educational opportunities according to academic ability and inclination rather than financial means. The Americans you spoke of are generally poor. Some are middle income. For understandable economic and demographic reasons, they are disproportionately students of color. Some have children of their own to support while they seek additional education or training. Many have moved or wish to move directly from high school to a postsecondary educational program.

Some are considered "non-traditional" students because they are either beginning their studies or returning for additional education beyond their late teens and early twenties, or, even later in life. And, increasingly, these students once considered "non-traditional" are the typical students at many of our institutions. How effectively are the entire array of federal student assistance programs meeting the needs of these students is the question before us. The challenge of my student aid administrator profession and the challenge before this Subcommittee is to answer that question. The practical test of your answers will be evident in the legislation approved by the Congress as implemented on our campuses.

At the University of Michigan, about two out of five undergraduate students or about 9,000 students receive some type of financial assistance to attend the University. Roughly two-thirds of these students receive support through grant, loan, and/or work programs authorized by Title IV of the Higher Education Act. The other one-third receives institutional and private support. The impact of the federal aid programs at this university is evident by the following facts: The students and dollars received in award year 1989-90 were for the Pell Grant Program, 3,011 recipients obtaining $4,451,454; GSL loan programs, 4,285 recipients obtaining $10,252,351; Supplemental Educational Opportunity Grant Program, 647 recipients obtaining $1,563,294; Perkins Loans, 3,609 recipients obtaining $4,120,666 and the College Work-Study Program, 1,459 recipients obtaining $1,906,061 in wages. Our students represent a broad economic spectrum, but this is unknown to us when they apply for admission. Admission decisions are made without regard to the financial position of the student and her or his family. Some come from low-income

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backgrounds and require considerable financial assistance to be able to enroll at Michigan. Others come from families with modest income and assets, but still require some financial assistance. Still others receive little or no financial aid but seek out alternative financing to solve cash flow problems.

In providing supplemental financial assistance to eligible students, we consider the financial strength of the family and attempt to equalize student reliance upon self-help -- i.e., employment earnings and loan assistance. Our goal is to provide equality of access to all students admitted to the University. Recent studies have convinced us that we are achieving our goal, for we find that admitted instate undergraduate students enroll at approximately the same rate regardless of family income.

Our concerns range from the ability of parents and students to confidently engage in educational financial planning, to the cumbersome application process, to the delivery of funds to eligible students, and to the assessment of family financial strength and, therefore, eligibility for federal student aid.

Planning

The roles of parents and students in financing education has never been more uncertain. Uncertainty gives rise to anxiety that financing will not be available. Anxiety levels are kept high by news of federal aid program cuts, real or implied, the general absence of sound advice regarding educational

financing in our nation's high schools and middle schools, upward spiraling costs of a postsecondary education, and the unacceptable fraud and abuse by a few which dogs the federal programs. Add to this the incremental loss of eligibility over the last decade for federal student loan assistance by the vast majority of students from middle income backgrounds and, for those who remain eligible for federal programs, the increasing reliance on loans, rather than federal grants, and the disappointment, frustation, and anger are understandable.

In an attempt to lower anxiety levels, an increasing number of institutions are assuring parents and future students that student financial needs will be fully met. Most institutions are, however, unable or unwilling to make that claim. Even those who do hold out that promise seldom define how the students' demonstrated financial need will be met. Anxiousness over meeting future educational costs is high and continues to rise.

In short, not only do we not yet have the capacity to offer relief to even the well-intended parent and student, but the information which they receive is received inconsistently and seldom earlier than the last year or two of high school. The National Association of Financial Aid Administrators (NASFAA) has promoted dialogue among various parties and organizations for the purposes of sharing ideas on what works -- and what doesn't -- in the provision of financial aid information to students in their early high school and middle school years. Collectively, however, we have no plan in place to help students and their parents plan for meeting future educational costs. This is an issue that desperately needs federal leadership and intervention. Leadership and

intervention, not only to improve the potential postsecondary student's knowledge of aid availability, but also to help these young people make the correct choices to stay off drugs, to stay in school, and to study so that they are academically prepared for the future postsecondary education opportunities that will exist when they receive their high school diploma.

Application

The process by which a student applies for and receives federal student financial aid for education or training beyond high school has become increasingly complex. I would like to highlight some of the complexities.

-- Application for federal student financial aid is possible through the use of one of six forms. The applicant decides which form to use, although cost and a school's preference for a particular form may ultimately determine the applicant's choice.

-- Each application contains a set of instructions and questions regarding the financial characteristics of the applicant and his or her family. The typical applicant reads approximately 8 pages of instructions and responds to 150 or so data elements.

-- The application is sent to a processing organization. Using two formulas, the family's financial strength is assessed and "contribution" amounts for the student and the family are computed. One formula is for the Pell Grant Program, the other for the campus-based -- College Work-Study, Perkins Loan, and the Supplemental Educational Opportunity Grant Program -- and the Stafford Loan programs.

-- After completing the federal student aid application, a student must submit additional information directly to the school.

-- Additional information is required from those students eligible for Stafford Loan assistance. The Stafford Loan application contains on the average twenty questions and is submitted directly to the school. The school certifies the student's eligibility and submits the application to the lender. The lender completes its section, approving the loan and sends the application to the guarantee agency. The guarantee agency notifies the lender of the loan approval. Then the lender issues a check made payable to the student or to the student and the school and mails it to the school.

Even if everything is correct and there are no problems, the application process takes 4-8 weeks, sometimes longer. That is an excessively long time to wait. Can you imagine the frustration for a student who has a problem develop in the application process, one as minor as failure to check the federal release box, which causes further delays.

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The application process must be simplified. Care must be taken, however, to not equate fewer questions on a form with simplification. While simplifying the process, attention must be given to insure that aid goes to students most in need of it.

NASFAA has offered a need analysis "Plan for Reform" which proposes one method for determining eligibility for all types of federal funds, replacing the two existing methods, and outlines steps to simplify the application process for many students. NASFAA witness, Natala Hart, recently discussed the "Plan for Reform" before the Subcommittee, and I encourage you to reivew her testimony.

Eligibility and Funding

Despite the equity and fairness which characterizes much, but not all, of the "Pell" and "Congressional" methodologies used in measuring family financial strength, we encounter many, many instances where the results of the computation are met with disbelief. Frequently, disbelief turns to anger as we attempt to explain ineligibility for federal student aid which, of course, includes ineligibility for a Stafford Loan.

Permit me to provide three examples. Student A lives in Detroit. He is one of 5 children. His father is a blue collar worker using his skilled trade as a mechanic at a local business. His mother is not employed outside of the home. During the past year, both he and his brother were enrolled at instate public schools. When he entered the University four years ago, he received

the maximum Pell Grant of $2,100. In relation to our total estimated student budget for that year, his Pell Grant covered 27%. For this past year, his senior year, his Pell Grant award was $2,300, again the maximum amount. This award covered 23% of his budget. This decrease in the percentage covered by a maximum Pell Grant is one reason that NASFAA has recommended increasing the maximum Pell Grant to $4,400 in award year 1992-93 and, for every subsequent fiscal year, the award would be increased by the higher of $200 or the rise in the Consumer Price Index times the previous year's maximum grant. Further, to insure that students actually receive these higher maximum grants and are not subject to reductions of awards, we recommend the Pell Grant Program be converted to a true entitlement status.

Student B was born and grew up in Ann Arbor. The family's total income for 1990 was $24,000. As an entering first-year student, both the student and her parents were dismayed to learn that the contribution expected from her parents' under the current "Congressional" methodology was $3,100. Approximately $700 was estimated to be available from current income, the remaining $2,400 from the family's home value. Purchased in 1969 for $28,000, the modest three-bedroom frame house now has a market value of $135,000. Not only are the student's parents reluctant to assume additional indebtedness in the form of a home equity loan since they are close to retirement, but their modest income is barely sufficient to cover current living expenses. Under the treatment of home equity proposed by NASFAA, the home equity portion of the expected parental support would decrease from $2,387 to $359.

Student C lives out of state. He is the third of three children and has been accepted to the University. His family's income is $68,000. He is the third child to pursue postsecondary education. This has severely reduced the family's savings. The equity which the family has in their home is about $63,000. The amount of financial support expected from his parents is $18,800. This has made him ineligible for all federal student aid. As with Student B, home equity and alternative parental loan information was sent them by my office. Despite the University offering a unique academic program which meets his long-term career interests, the lack of student aid, including loan assistance, has convinced the student and his parents that it is not financially possible for him to attend the University of Michigan. NASFAA's Reauthorization proposal to increase the PLUS annual loan limits from $4,000 to $20,000 would have helped this family.

In each of these examples, NASFAA's recommendations for change in Title IV would have greatly assisted these families, in one case give additional help to pay for an education, but, in the other two cases, make it possible to attend the University.

In summary, the present system of student aid for undergraduates satisfies almost no one. In part, this is because it is really a variety of complicated systems attempting to serve many interests and, unfortunately, sometimes the interests of students are served last. Its complexity means that much can go wrong or can appear to go wrong. The administrative responsibilities which

those of us on the campus must assume in order to meet or try to meet the expectations of students, their families, institutional leaders, the many funding sources including the federal government, are overwhelming. I sense great willingness on the part of campus aid administrators to make the system work and to work well. There is, however, a growing inability to provide satisfactory levels of service to all who seek our advice, counsel, and direct financial support.

Mr. Chairman. We urge you and your colleagues to consider every possibility to make the system simpler, more stable, and more obviously fair. Under a better system, families would be able to plan with greater confidence in determining what resources might be available to supplement parents' resources and the student's own self-help. Application would be simpler for students. Eligibility would be determined more rapidly. Funds could be disbursed to students on a more timely basis rather than to dribble in, as is so often the case, during the time of the student's study. Grants would replace heavy and inappropriate student borrowing for targeted populations. Those who pay the bulk of our taxes, the middle-income facing rising tuition expenses, at least, would receive federal student loans to help pay their children's educational expenses.

The Reauthorization of Title IV of the Higher Education Act of 1965 provides an opportunity to build a better system. The current system works more by accident, and by the commitment of institutions, than by design. Because the process, for all its qualities, is flawed -- it is financial aid administrators who are making the system work. Aid administrators who meet students and parents face-to-face

and who are dedicated to serving those needing assistance. At the same time, these administrators are frustrated by program inconsistencies, burdened by regulations, and know that federal student aid funding levels could be higher, if only there was the political will and leadership. The system is not allowing us to reach our goals of providing financial aid to students effectively. NASFAA looks forward to working with the Subcommittee to insure that the goals we share are achieved. I would be pleased to answer any questions you may have and thank you for the opportunity to testify.

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Chairman FORD. Sue Smock?

STATEMENT OF SUE SMOCK, DEAN, COLLEGE OF URBAN, LABOR AND METROPOLITAN AFFAIRS, WAYNE STATE UNIVERSITY, DETROIT, MICHIGAN

Ms. SMOCK. Mr. Chairman, Dean of the College of Urban, Labor and Metropolitan Affairs at Wayne State University. I am here today to substitute for President David Adamany, who unfortunately had to be away on family matters. Your courtesy in accepting his written statement and my succinct summary of it is much appreciated; and those of you who know David Adamany know that I can hardly be his substitute.

Let me start by saying that I think I represent a part of higher education that you have not heard as yet today. I represent Wayne State University, a comprehensive research university like U of M, and Michigan State, and some others in the State, which is also an urban university. Thus, we have the full range of difficulties, responsibilities, and opportunities that have been discussed throughout the morning.

Today Dr. Adamany and I want especially to express support for the reenactment of Title XI of the Higher Education Act, the Urban Grant University Act. As originally envisioned by Congressman Ford, the Urban Grant and University Act would create an instructional, research, and service program in our cities that would parallel the work of our great Land Grant universities. Unfortunately, despite the support of this committee and the leadership of Congressman Ford, Title XI has never been funded.

Certainly, it is more compelling today than ever given our urban problems. Urban universities have made truly impressive efforts to meet the peculiar—particularly, rather, and probably peculiar may be said—objectives even in the absence of special Federal funding for these purposes.

At the same time, urban universities face extraordinary expenses in fulfilling their missions but are rarely funded to meet these special costs. This is important to the present point because the financial margin within the urban university budget that is available for service and research is very, very small. Urban universities' student bodies are primarily non-traditional, as we have been talking about this morning.

This creates special costs that are rarely recognized by State government. At Wayne State, 54 percent of our students are part time. The median age is 28.4. One-third are married and/or raising children. Eighty percent are working and half of those are working full time. Apropos of earlier comments, most of these are working-class and middle-class people struggling to better themselves or get the education they need to maintain the job they have.

Minority students represent 30 percent of the student body, including 22 percent who are black. The average student takes 9.2 credit hours per semester. The lowest intensity of enrollment among Michigan's public universities, we have slightly more graduate students, 38 percent, than our neighbor university of Michigan. Almost all of our graduate students remain in the Detroit metro-

politan area after graduation to work and to become taxpayers in our metropolitan area.

To serve this student body, we offer classes both day and evening. Forty percent of our classes are after 4:30 in the afternoon. Thus, we bear the cost of running not one university, but two. The low number of credit hours per student means average student cost for services are higher than in other Michigan schools. A student enrolled in a few credit hours still uses counseling, financial aid services, admission office, and so forth just like the full-time student.

Students use services, but credit hours yield tuition. Therefore, in urban universities with the many part-time students, service demands per student are high but revenue per student is low. This cannot be solved by raising tuition because that simply causes another urban student to turn away from education or, at best, to delay finishing an education.

There are a number of special urban costs which we do not have time to enumerate today. The point, Mr. Chairman, is that every day urban universities face the overwhelming needs of our community. Ironically, we are in the best position to apply our resources to urban research, service work and extension teaching; but our budgets are pressed by the high cost of providing education for our students and our revenues are constrained by the economic vulnerability of these same students.

We appeal, Mr. Chairman, for the renewal of the Urban Grant University Act and for a beginning, however modest, to the funding of this act so that some experiments can begin which will demonstrate the powerful effects of allowing universities to play an even larger role in assisting urban communities. We have learned a great deal since the urban observatories of the 1960s. We can be to the urban communities what the Land Grant universities have been to the agricultural communities.

We are already providing a great deal of urban service. For example, without our urban university medical schools, health care in the cities would collapse completely. Wayne State University faculty positions last year provided $15 million in uncompensated care and an estimated additional $15 million in under-compensated care.

Because of the K-12 which we talked about today, we are trying to begin a program of running a cluster of schools, manage a cluster of schools for the Detroit School Board that are in our neighborhood. There is no time to describe the other variety of programs for all the age groups that we have developed, implemented, and evaluated. We are distinctly proud of our urban applied research service and extension teaching, but the urban population needs much more, and we cannot give it to them without additional funding.

In summary, as you reauthorize the Higher Education Act, Mr. Chairman, we appeal for the retention of Title XI and for some funding, however modest, to transform it from symbol to reality. Further, we wish to support the proposal on the floor and H.R. 2531 introduced by Representative Sawyer to reauthorize Title XI as part of the Higher Education Act.

Thank you for your time, and again, I offer Dr. Adamany's regrets for not being here today.

[The prepared statement of David Adamany follows:]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Testimony of David Adamany
President, Wayne State University

Subcommittee on Postsecondary Education
Committee on Labor and Education
United States House of Representatives
June 17, 1991

Mr. Chairman, I am David Adamany, President of Wayne State University. I very much appreciate the opportunity to submit testimony on the Higher Education Act.

Dean Sue Marx Smock of our College of Urban, Labor, and Metropolitan Affairs is appearing today on my behalf because family matters have taken me away from Detroit. Your courtesy in accepting my statement as part of Dr. Smock's testimony is very much appreciated.

Today I especially express my support for the reenactment of Title XI of the Higher Education Act, the Urban Grant University Act.

As originally envisioned by Congressman Ford, the Urban Grant University Act would create an instructional, research, and service program in our cities that would paralliel the work of our great Land Grant Universities in the countryside. That vision is more compelling today than it was when the Urban Grant University Act was first enacted. Unfortunately, despite the support of this Committee and the leadership of Congressman Ford, the Urban Grant University Act has never been funded.

My testimony today will suggest that the urban universities have not remained indifferent to their responsibilities during this long period when federal funding has been denied, but it will emphasize also the difficulties faced by urban universities in meeting the justifiable expectations that they will serve our urban areas not only by providing instruction, but also by conducting urban-focused research and then applying that research through service activities and extension education.

The urban universities have made truly impressive efforts to meet their special teaching, research, and service activities, even in the absence of special federal funding for these purposes. It may be useful to state for the record that the urban universities face extraordinarily expense in fulfilling their teaching missions but are rarely funded to meet these special costs. Consequently, the financial margin within the urban university budgets that is available for service or research is small indeed.

The diversity of an urban university's student body creates special costs that are rarely recognized by state governments. At Wayne

State, 54 percent of our students are part-time, the median age is 28.4 years, about one-third are married and/or raising children in their homes, more than half are women, 80 percent are working and half that group are working full time, and minority students represent more than 30 percent of the student body, including 22 percent who are black. The average student takes 9.2 credit hours per semester, the lowest intensity of enrollment among Michigan's public universities. Graduate students, largely in professional or employment-related programs, constitute 38 percent of the student body, a fraction higher than the proportion of graduate students at our eminent neighbor, the University of Michigan-Ann Arbor.

To serve this student body, we offer classes both day and evening. Forty percent of class sections occur after 4:30 p.m. Thus, we bear the costs of running not one university, but two. The large graduate population of adult students seeking to improve knowledge in existing endeavors or to redirect their lives along new paths means that many classes are small and curricular programs are expensive. The low number of credit hours per student does not mitigate student service costs: each student, whether they take one credit hour or 21, uses the admissions office, advising and counseling services, reference library services, and, for more than one-third of the student body, the financial aid office. In short, the student support services and the instructional program in an urban university a very costly.

These costs are increased because of the special population of disadvantaged students we serve. Many, many students from our city schools are poorly prepared to attend the university. The average ACT score of entering minority students is 16, as compared to a national ACT average for all students of 19 and a test score average among Wayne State's majority students that exceeds 21. The University funds from its own resources extensive retention and counseling efforts to assist disadvantaged students. Because many students from our urban schools are so poorly prepared--often having only 10th or 9th grade skills in basic English and mathematics skills--the University has initiated a Summer Academy which provides ten intensive weeks of half-time instruction for entering freshmen from high schools whose students have done poorly at Wayne State in past years. We pay students the minimum wage to work half a day in campus jobs and to study half a day. We use intensive computer-based instruction in math and English; we provide tutorial support; and we include special programs in educational survival skills and in motivation. We have seen achievement levels in English comprehension and writing improve nearly two high school years and math skills improve nearly one high school year in the ten-week summer program. Preliminary figures show that we are achieving a higher freshman-completion rate among these students than among their peers who do not

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participate in the Summer Academy. But we are spending more than $3,000 per student for the Summer Academy, and we are doing so without any special federal or state assistance.

One last comment on the cost side of the equation. Urban universities are generally located on relatively small campuses and in declining or deteriorated areas. Large, commuting student bodies and citizens of the community use the University campus and facilities extensively, as they should. But the costs of maintenance rise when compact land spaces and older buildings are used from 8 a.m. to 10 p.m. and are used intensively. Utility costs skyrocket. And subsidiary costs, such as parking and security, are much higher in urban universities than in traditional, more isolated universities.

On the revenue side, Mr. Chairman, the urban universities are also at a disadvantage. Students use services, but credit hours yield tuition. A student enrolled in one credit hour still uses libraries, counseling and financial aid services, the admissions office, and so forth. Consequently, in urban universities with their many part-time students and low average credit hours per student, serve demands per student are high, but revenues per student are low.

Nor can the urban universities address this problem by raising tuition per credit hour to meet our costs. The urban universities especially serve disadvantaged students, students with family obligations, and students who for other reasons are not financially secure. Among students filing for financial aid at Wayne State, average parental income was $25,851, as compared to $34,869 at Michigan's other public universities. Parental assets were $26,766 compared to $41,768 at our sister institutions. Survey data show that twice as many (13.3 percent) of Wayne State students come from homes with parental income under $15,000 when compared to other large public universities nationally (7.5 percent). The stark fact is that we should not compensate for high educational costs by raising tuition, because every tuition increase causes a student to turn away from education or to delay his/her education by reducing the number of courses taken.

Wayne State, and all of Michigan's public universities, have relatively high tuition when compared to public universities elsewhere. This is mainly a function of low state appropriations per student. Tuition has substituted for state funding.

But Wayne State has attempted to respond to its special urban responsibilities in recent years by engaging in a policy of tuition restraint. Since 1983, tuition at Wayne State has increased only 36 percent--less than the rate of inflation. Tuition rates in

Michigan's other public universities have increased an average of 63 percent over the same period of time.

How does the cost/revenue squeeze in our urban universities bear on the Urban Grant University Act? It signals the grave difficulty that the urban universities face in funding from our own resources needed programs of urban service, and urban research, and urban extension teaching. Our budgets are already pressed by the high cost of providing education to our special student bodies, and our revenues are constrained by the economic vulnerability of those same students.

We appeal, Mr. Chairman, for the renewal of the Urban Grant University Act because we are committed to urban service and urban research and urban extension, but we are sorely tested to find the resources without federal assistance. We appeal, moreover, for a beginning, however modest, to the funding of the Urban Grant University Act, so that some experiments can begin that will demonstrate the powerful and salutary effects of allowing the universities to play an even larger role in assisting our urban communities.

Mr. Chairman, let me assure you that, despite my appeal today, we have not waited idly for the time when the Urban Grant University Act would be funded. We have moved forward decisively in urban research, urban service, and urban teaching--sometimes with our own money, sometimes with the support of state or local governments, sometimes with foundation grants, and in many cases with federal money earned competitively from programs that do not have an urban focus.

Let me give you an assurance of our commitment and our potential by citing for the record an illustrative, but gravely incomplete, listing of Wayne State's efforts as an urban university.

To begin at the conclusion, Mr. Chairman, Wayne State University provided more than 2 million service activities in our community last year.

The largest number of these were 1.4 million patients served by Wayne State physicians and residents. Let me press this point. Without our urban university medical schools and their associated hospitals, health care in our cities would collapse completely. Wayne State faculty physicians last year provided more than $15 million of totally uncompensated care. This does not include the many cases where reimbursement falls short of costs or of normal billings. The Dean of the Medical School believes that undercompensated health care last year was another $15 million. And these are in addition to more than $60 million of totally

uncompensated care in the Detroit Medical Center hospitals, which are affiliated with, but not owned or operated by, Wayne State University.

If health care is the largest number and the largest cost of providing urban service, our other service activities are rich in their diversity and purposes.

As an urban university, we see and feel daily the impact of the family crisis in our cities. We are retraining mothers in parenting skills in Parents and Children Together (175 parents and 400 children). We are providing therapeutic services to another 100 families through the same program. We are operating a pre-school program to assist parents to give in-home instruction to their own children, for 60 families. We serve 30 children in a pre-school nursery in one of Detroit's worst and most dangerous public housing projects. About 400 youngsters are served through child care clinics. In addition, hundreds of care givers are trained or retrained in methods of providing service to urban children and families.

Our cities have too often become dumping grounds for the developmentally disabled and mentally retarded. Wayne State trains hundreds of persons--teachers, agency workers, parents--to help the developmentally disabled take greater control over their lives and acquire a measure of independence. More than 700 persons are being trained or receiving services through Wayne State.

No urban pathology strikes closer to our hearts than the decay of urban schools. Nearly 40,000 school teachers and students were served last year by the University. Our efforts ranged from intensive summer programs for teachers in physics, chemistry, and mathematics, to motivation and educational programs for students in several high schools, to on-campus classes for urban school students, to numerous workshops and performances in schools by faculty and students in the performing arts. As some here may know, Wayne State University has recently offered to manage a cluster of Detroit schools in our neighborhood on behalf of the Board of Education.

If I may offer an aside about urban schools, Mr. Chairman. The training of professionals in all science, technology, and mathematics fields is one of America's greatest needs. I proposed to the American Association for the Advancement of Science in 1983 and before the Committee on Science and Technology of this House on 1986 that the urban universities could play a special role in addressing this deficiency. A modest program of fellowships for undergraduates and graduate students in science, math, and technology in our urban universities could increase the number of

people we train in these crucial fields. And we could attach to these fellowships an obligation to teach a class or assist a teacher in the urban schools during part of the fellowship period. This would address the tragic shortage of science, math, and technology teachers we now face in our urban schools. It would simultaneously allow us to increase the number of professionals in science, math, and technology and to expand the number of urban elementary and secondary school students who are trained to enter these professions. I am pleased that Congresswoman Barbara-Rose Collins of Michigan has obtained language in the bill report for the National Science Foundation Authorization Act, H.R. 2282, to have NSF conduct a feasibility study of this idea. But it would also be an especially fitting initiative for funding under the Urban Grant University Act, since it could involve cooperative efforts by universities and colleges, public schools, and business and industry.

In addition to our efforts in health care, families, mental health, and public schools, we also last year served 15,000 of our fellow citizens through special counseling programs at Wayne State. These include persons using our reading clinics, seeking help with communications disorders, struggling to overcome substance abuse problems, and striving to sustain family groups that are suffering stress. They also include more than 4,000 students in middle and high schools and in college preparatory programs that receive special advising and counseling as they plan for their futures.

Even in securing our community, we play a prominent role. Last year, Wayne State's Public Safety Department, who are fully commissioned Detroit police officers employed and under the command of the University, made nearly 5,000 runs off of the campus, into our surrounding neighborhood, to provide protection and assistance to our fellow citizens.

Mr. Chairman, our universities are often excoriated for being indifferent to the larger community, for insulating themselves from the hardship of the world around them, for being careless--or worse--in their trusteeship of public funds, and for avoiding the real trials and tragedies of life as we teach and conduct research. Like all institutions, we could do much better.

But we are already doing a great deal. We are stretching our resources to educate our special urban student body; and we are going beyond, by stretching these resources farther, to provide a vast array of service and research activities that bear directly on the conditions of the urban people and urban communities of which we are part.

Over all these years, the Urban Grant University Act has been a reminder to us of our larger obligations. It has been a beacon in the distance allowing us to hope that in the fullness of time the federal government would assist us to redouble the efforts we are already making so vigorously in so many areas of urban concern.

At a time when our urban centers are deeply troubled, it would be a tragedy for the Congress, which has been our friend and ally on behalf of urban communities for so many years, to withdraw or weaken the federal commitment--although still unfunded and largely symbolic--to sustain and stimulate the urban universities as an instrument to improve and strengthen urban life.

As you reauthorize the Higher Education Act, Mr. Chairman, we appeal for the retention of Title XI and for the development of support in the Congress to initiate some funding, however modest, to transform it from symbol to reality.

Thank you for the opportunity to present this testimony.

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Chairman FORD. Thank you very much. You represent him very well. He is an old friend to this committee. He and Tom used to be at the University of Wisconsin together. Then he escaped across the water.

Mr. McAnuff, the way you start out your statement brings to my mind an experimental program that the former president of Eastern, John Porter was advocating for. That program was going to work on both the dropout rate and the terrible shortage that the Detroit public schools have, particularly of male, black teachers.

There was going to be a combination effort between the Detroit school system, Wayne County Community College, Wayne University, and Eastern. They were going to employ students starting in high school in positions where they would be able to learn something about what a future in education might hold, and then provide a way for them to make a living as they went along and help pay part of the cost for them to go to school. Is that happening?

Mr. MCANUFF. Yes. That program is going very strong along with Wayne State University and Wayne County Community College and Eastern Michigan University. The Urban Teacher Program enrolls at least 50 students a year.

Chairman FORD. I am glad to hear that. If you could give me something and bring me up to date on that, I would appreciate it, because we were looking for a way to help. It is one of the new ideas that has come along in recent years.

Mr. MCANUFF. Certainly.

Chairman FORD. I should explain that we lost our two most senior Republicans to the airline. We had a scheduling problem to get them back to Washington. They did not leave because of this panel. Mr. Kildee?

Mr. KILDEE. Thank you, Mr. Chairman. I, too, am interested in that program in Detroit that Mr. Porter initiated in various universities involved. I think that if the Federal Government can do something to support education, not just morally, but financially, I think that would be a great investment. I think that is one of our more serious problems. If we can do something to alleviate that, I would appreciate any information on that.

What would be the most effective means for the Federal Government to encourage more effective outreach with information about student aid for students and their families? I still find that even with my office working at it, that there are many students out there who are not aware of what is available. All of you can comment on it, any or all of you.

Mr. GROTRIAN. One of the problems which we have observed is the fact that not only are we not present with sufficient information in high schools, but we are not present hardly at all in the middle schools. Therefore, more written information, more in the way of written information for students, but also information provided to guidance counselors which they can, without being burdened by the technical aspects of student aid, convey a sense of confidence in the sense of availability of support should the family, at the point of entry into a postsecondary education experience, need that kind of support.

The familiarity that we have found among the students is such that we not only have vastly increased the amount of information

which we contain in our admissions booklets so that they cannot miss the seventh page of some student aid that is stapled within a booklet containing our application for admission; but we are also trying to intervene in ways which put financial aid counselors much like Dr. Diekema had used in his testimony, putting financial counselors in the high schools in the sophomore and junior years. The information that we provide is along the University of Michigan programs, but it is sufficiently generic to accomplish some of that.

It does seem to us, also, that using the new technology, cassettes and videotapes, would be one way in which that information could be conveyed. NASFAA has done some work in this regard. It does not seem, however, that NASFAA should charge school systems for early awareness information or that the members, in paying membership dues to the association, to have some of that membership dues payment go to support that kind of effort when a Federal intervention in this kind of activity seems to be so sorely needed.

Mr. KILDEE. I think your middle-school idea is going to be very important. Very often, kids get into high school feeling that there is no chance to go to college. Maybe in those earlier years, they feel there is some avenues, maybe not specific at that level, but some avenues of financial help, that could give them some encouragement. Very often it is a little late when they get in high school.

Mr. MCANUFF. I would concur. I think generally, we do a miserable job in informing poor students, minority and non-minority, of educational opportunities. Many families, especially those who never went to college and perhaps never graduated from high school, have no expectations about the ability of their children to obtain those goals. Certainly, the children's only expectation is to perhaps reach 16 and dropping of high school.

In Michigan, I think there is an excellent prototype program in the MOCK Program, which I would hope might be replicated or at least enhanced because it only services a small number of eligible students; and that is, for instance, taking 2,000 seventh, eighth, and ninth graders and allow them to live on the campus for a few days in the summer. A portion of the program is designed to inform them that college is affordable and not to let finances stand in the way of planning future goals beyond high school.

Also working with the students on what courses to take in high school at that point to fulfill some career goals and aspirations is equally critical; and lastly, involving the parents and allowing the parents to know that finances should not be a blockage in future aspirations for their children. Generally, you will find that all families, black, white, yellow, want something better for their children. Many of them do not know how to go about getting that. That, perhaps, is the role that the Federal Government should assist the universities in applying.

Mr. VIGNONE. I think it is also important to provide some training to personnel such as social service personnel and vocational counselors who frequently deal with the older potential returning student who have almost no information on what services and what aid is available for people in that kind of position, which is, as we heard testimony today, actually probably close to the majority of students.

Ms. SMOCK. Let me add one other: First of all, I think that we find that it is doubly difficult in the schools where the parents have not gone to college. Obviously, the children do not know as much about this. Those are also very often the schools where the counselors are overburdened with other problems and really, as was said earlier today, cannot deal with the issue of college because they are dealing with other counseling in serious issues, crisis issues.

One of these that we have done in some areas is wherever there is a program that is a university program that dips into the schools, whether you bring the students on university campus, which is the most ideal, or we are in the schools, themselves, those people also ought to be trained, it seems to me, to be more familiar with, at least to let these students know, that there are ways of going to college.

You know, we are in our own specialties, and one is out there teaching computer science and does not know anything about loan and scholarship programs. But at least be aware of whether these students know that there is help. So all of our other programs that bring students on campus are particularly meaningful in this respect.

Chairman FORD. Thank you very much. Mr. Gunderson?

Mr. GUNDERSON. Mr. Goodling asked me to relay to Mr. McAnuff that in this report you are going to submit to the committee, if you would also discuss the success ration of training minorities as teachers so that we could get some insight on that.

The only question I have for the panel, and it is really just a yes or no, would be especially becoming financial aid administrators. National financial aid administrators suggest eliminating part-time students from eligibility for adult grant. Do you agree with that or not?

Chairman FORD. Less than half?

Mr. GUNDERSON. Less than half. Just a yes or no.

Mr. VIGNONE. No.

Mr. GROTRIAN. Given the money that is currently available, yes.

Mr. MCANUFF. No.

Ms. SMOCK. I pass. This is not my area.

Mr. GUNDERSON. Based on your testimony, I can guess that Mr. Adamany's testimony would be give them my regards.

Chairman FORD. Thank you very much. I want to express the appreciation of the whole committee for the cooperation we have had, not only from the university as our host, but from all of our friends in Michigan who really have contributed a pretty nice package of material here to challenge everyone. I would like for Mr. Vignone to make an observation. I have been accused in the newspaper of being overly concerned about the preservation of the category of schools that are referred to down the end of a very long, cold nose by the Department of Education as proprietary schools. I find it interesting that the opponents of the proprietary system find something inherently wrong with proprietary.

I note in your testimony that you called attention to how people from Michigan might have a slightly different life experience with these than people in other parts of the country when you pointed out that we have one still in business since 1950.

Mr. VIGNONE. That is true.

Chairman FORD. Just down the road from where we are now, there is a not-for-profit college which now gives graduate programs called Cleary College. During the years when I was growing up, Cleary College was a proprietary school and the ultimate destiny of that proprietary school was to become a private, non-profit institution with not one, but two campuses, one in Washington County, one in Livingston County.

Mr. VIGNONE. Right.

Chairman FORD. I am not sure how many they have now, but it has grown into a very substantial school. Actually, there are parts of the country where the concept of the proprietary school or, as you call them, vocational schools, was a post-World War II phenomena. A time when the Federal Government was dangling money in front of back alley garage mechanics who suddenly become an automotive school.

We suffer from a hangover of that in many parts of the country. I am particularly appreciative of the way in which you approach this and I would note for the committee that as time goes by that they ask for even more stringent attention by the Department of Education to the way in which these and other schools are operating in the field of student aid.

We very recently discovered since the last reauthorization, we have passed 18 separate pieces of legislation, mostly during the budget process, with some 80 requirements for schools to meet for fiscal integrity in these programs. The department was not able to tell us if any regulation for any of them has yet been promulgated.

I was running merrily along thinking when we changed the law that it tightened things up and that somehow we were responsible for a number of the proprietaries going out of business in the last 2 years. But they went out of business because they read the law, not because the Department made them do it.

We are going to be approaching them with a little different attitude, very much the attitude you expressed in here. Quit complaining if you are not going to enforce rules and regulations to protect the good organizations from the bad ones. And there are good and bad in every category, I suppose.

Mr. Kildee, do you want to pose a question?

Mr. KILDEE. No. I just want to again thank the panel. One of the advantages of serving on a committee like this is you get close to a Ph.D., people like yourself. I have never gotten a Ph.D. I started a very few of them. Then a funny thing happened. I got elected to the State legislature in 1964. So you people help in that you know more about higher education issues.

Chairman FORD. We want to thank you all very much. If there were people here today we could not accommodate at the table and you wish to add your advice to that which you have heard given by others or you want to comment on anything you have heard here today, please forward it to us because the record on this hearing will be open until we finish all of the hearings we have ahead of us. We will be very pleased to print the comments of anyone who has anything to contribute contemporaneous with the testimony and questions here today.

Thank you very much. The committee will be adjourned.

[Whereupon, at 12:52 p.m., the hearing was adjourned.]

[Additional material submitted for the record follows.]

Student Financial Aid

Kalamazoo, Michigan 49008-5078
616 387-6000

WESTERN MICHIGAN UNIVERSITY

JUL 08 1991

June 27, 1991

The Honorable Tim Roemer
415 Cannon Building
Washington, D.C. 20515

Dear Representative Roemer:

On behalf of Western Michigan University, I would like to thank you for conducting the Field Hearing in Ann Arbor, MI, June 17,1991 on the Reauthorization of the Higher Education Act of 1965. As over 8,000 Western Michigan University students receive some form of Title IV financial aid totalling over $26,000,000, we appreciate your efforts in providing the residents of Michigan the opportunity for input during this reauthorization process.

Access to higher education for our financially needy students remains our number one concern. Western Michigan University is a low cost public institution as our total estimated student expenses for the 90-91 academic year were only $7,640 (tuition/fees, room/board, books, personal and travel allowances). For the 90-91 academic year, a financial aid award of the maximum Pell Grant of $2,300, College Work-Study of $2,550 (20 hrs/wk x $4.25/hr x 30 wks), and a Stafford Loan of $2,625 (of which a student only receives $2,494) did not meet the need of an in-state freshman demonstrating the maximum financial eligibility. While we attempt to assist the neediest students with other funds from state, private and institutional sources, we simply are unable to meet the total need. We cannot come

close to assisting a maximum needy non-resident student.

We encourage an amendment to increase the Pell Grant maximum award to $4,400 for the award year 1992-93 and increase the maximum amount each succeeding fiscal year by $200 or by the amount of the Consumer Price Index, whichever is greater. In 1980, the maximum Pell Grant of $1,750 was sufficient to cover almost 50% of Western's total educational costs. In 1990, the maximum Pell Grant of $2,300 only covered about 30% of the costs. Inflation is rapidly outpacing the institution's ability to recruit and retain the financially neediest talent.

Western Michigan University supports the concept of making the Pell Grant Program a "true entitlement" by guaranteeing that the maximum Pell Grant award will be paid each award year even if the Secretary of Education must expend funds from the next succeeding fiscal year's appropriations. This amendment in conjunction with the above preceding amendment would provide a stable foundation of assistance on which financially needy families could rely for the payment of their postsecondary educational expenses.

The University encourages Congress to continue to support and expand the Supplemental Educational Opportunity Grants (SEOG) and the College Work-Study (CWS). These campus-based programs are needed to reduce the unmet needs of students after the Pell Grant award and allow the financial aid administrator the flexibility to address the unusual or exceptional circumstance by exercising professional judgment on a case by case basis.

Western Michigan University endorses the proposal to initiate a "Direct Student Loan" program as submitted to the House

Subcommittee on Postsecondary Education, June 12, 1991, by Mr. Tom Butts on behalf of the National Association of State Universities and Land Grant Colleges. Students and families find the current maize of applications/paperwork and numerous approving levels too time consuming and confusing. Students may find themselves attempting to deal with the school, the lender, the guaranty agency and someone from a secondary market. For many, it can take up to 12 or more weeks to receive a loan check if there has been a change in the student's situation. The creation of a single loan program to replace the Stafford Loan and Perkins Loan programs would reduce confusion about the process, get funds into the hands of the students much more quickly to meet the educational costs/living expenses and would establish a much cleaner repayment process for the student. As an additional benefit for our needy students, by allowing the institutions to retain their collections from the existing Perkins loans, colleges and universities would be able to create endowments for additional student grant/work programs.

It has been our experience that middle income families are also finding it increasingly difficult to shoulder the increasing costs of higher education. Expanding the needs analysis criteria to allow for middle income families to take advantage of long-term deferred educational loans would meet this need in most instances. In addition, we would encourage that tax legislation be introduced to restore the interest deduction for all federal educational loans.

In reviewing the financial needs analysis process for determining Title IV program eligibility, we would encourage you to adopt one methodology for all the programs. The original intent of needs

analysis theory was to try to identify a family's ability to contribute toward the cost of education as fairly and equitably as possible. It was not intended to be an allocation device to limit program expenditures. Families have a very difficult time comprehending that for one federal program they have one family contribution, but, for another program, the family contribution is something else.

The definition of independency must be addressed to prevent families of sufficient financial means from excluding their income and asset information from their student's eligibility determination. Currently, with a little planning, a student can "voluntarily" become an independent fairly easily. We would endorse the independent definition offered by the National Association of Student Financial Aid Administrators (NASFAA):

"(d) Students First/Parents First.--(1) The term "Students First", when used with respect to a student, means any individual who--

(A) is 24 years of age or older by July 1 of the award year; or

(B) is an orphan or ward of the court;

(C) is a veteran (as defined in section 480(e)) of the Armed Forces of the United States;

(D) is a graduate or professional student;

(E) has legal dependents other than a spouse; or

(F) is a student for whom a financial aid administrator makes a documented determination that the student meets the Students First requirements by reason of other unusual circumstances."

The application process must be simplified. We only need one application for all programs whether they are scholarships, grants, work or loans. Families are continuing to be confused and frustrated with our current system. We should not have to require a "separate" loan application. All the information we

need could be obtained from the basic financial aid application on which students could ask for assistance from specific programs or all the programs. Additionally, we should no longer continue to require that students receive a Student Aid Report (SAR) which they must then take to the financial aid office in order to be paid a Pell Grant. The electronic technology is here already to make Pell eligibility determination and payment. If we want to lower obstacles to accessing higher education, we must reduce this ever increasing mound of paper that we are requiring of our students...it's worse than filing the federal income tax return.

In summary, as we move toward the next millennium, the requirement for training beyond high school to address a competitive and highly technical world is mandatory. We must be able to provide access to those students who are unable to pay. If we don't, then our skilled labor demands will come from somewhere else other than the United States. Financial aid programs and large appropriations for those programs is simply a must. Education has to receive the highest priority we can give.

Thank you for your interest and concern for our students. If you have any questions, please feel free to contact me at anytime.

Sincerely,

John A. Kundel
Director

University of Michigan
Medical Center

University of Michigan Hospitals
1500 East Medical Center Drive
Ann Arbor, Michigan 48109

Adressed to : Congressman Ford

Dear Mr. Ford:

I'm very honored to have been selected to testify on my success. Truly, I believe this comes from helping others, my success is nothing if I did not inspirer someone else. Giving my circumstance giving my beginnig, growing up in poverty and on the welfare system. No one would predict I would be doing the things I'm doing. But my mom always said someone else opion of you does not have to be your reality. You can appear to know alot more than what you know, then you can eventually learn it, but know one has to know you don't know, but you better act like you know something. These type of morals was still taught, regardless of our situation. I'm currently doing siminars, as well as, donating my time to groups who need me the most. My plans is to give 10% of my earnings to the Dept. of Social Services. This is the main reason people are not motivated, you can't get what you are not giving. Please contact me Sir, I'm looking to help out in any way. My testimony should be heard nationally, so individuals can start to take charge of there life situations. I don't go for the saying "seeing is believing" I believe if you can....."believe it, you can see it" It all comes done to one word LOVE !

Thanks for listening Mr. Ford

Richard Williams

Richard Williams

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